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The Nation's Business

The P.M.'s Broadcast
Very Secretive on London Results
Ottawa Demands Relief Budgets from Provinces
Alberta's Next Premier, E. L. Gray
Royal Commission on Public Finance Yet Unappointed

King Speaks Well But Tells Little

THE Prime Minister's radio address on Monday evening was on a high plane. Perhaps it was on too high a plane and therefore over the heads of the audience. It was a magnificent declaration of the ideals of the Anglo-Saxon nations in the field of foreign affairs. But it did not come down to solid earth for a discussion of the practical economic problems that faced the recent Imperial conference.

Perhaps the Prime Minister is planning other radio addresses in which he will discuss what went on in London. At the conference, we know, Mr. King spoke out for measures of economic appeasement as a preventive of war. He hinted on Monday night that the British nations were unanimous in holding the view that international peace can follow only upon international trade. But what did the conference do to promote trade? That is what Mr. King did not tell.

Is there a difference of opinion among the British nations as to whether or not the Ottawa agreements stand in the way of world trade recovery through lowered tariffs? Is there a difference of opinion in Mr. King's own cabinet on the subject?

What about gold? What about monetary stabilization? Are the Empire countries still working together on an easy money and higher prices policy such as they agreed to in 1932 and 1933?

Mr. King has given the country, in the most general possible terms, a statement of the world's troublous position of menacing insecurity. Now will he let the country know what really went on in London, what problems were discussed, what progress was made toward economic disarmament?

* * *

Is Ottawa Finally Checking on Relief?

THE significance of the Government's new attitude toward relief grants to the provinces seems to be that Ottawa will now demand to know, in the advance of the making of the grants, just what the provinces plan to do with the money.

This is an approach to a system of budgetting provincial relief grants and demanding that the provinces in turn budget their relief expenditures. It is difficult to understand why this policy was not adopted wholeheartedly long ago. Surely if the central government is to provide millions of dollars every year for contributions to relief costs it has a right to know how the money is being spent and a duty to reassure itself that not one penny is being wasted.

* * *

SOME of the provinces insist that any request by Ottawa for a formal budget for relief needs would represent an encroachment upon provincial rights. This is a contention that can be better supported by propagandistic newspaper headlines than by an appeal to reason. Ottawa has no right to demand that any province that is standing upon its own feet should account for the expenditure of money raised from its own taxpayers. But Ottawa also has no right to donate money that it raises from the taxpayers of the country as a whole, without positive proof first that the money is needed and second, that it will be effectively and frugally spent.

There has been no evidence that the advice of the National Employment Commission is being sought in connection with the budgetting and allotment of Dominion relief moneys. The present Government won the election on the promise to appoint the commission. Now it has the commission but has made scant use of it in the fields where businesslike advice and assistance might have been most valuable.

* * *

May Be Alberta's Next Premier

OUT of the confusion in Alberta politics there seems to be emerging slowly an alternative group capable of taking over the government of the province when the inevitable crack-up of the Aberhart Government comes.

Since before the last election, most opposition groups in the province, with the exception of the Liberals, have been more or less ready to sink their identities in a fusion government. Now the new Liberal leader, E. L. Gray, has made it clear that he will not refuse to team up with other political and quasi-political groups if a fusion of the more commonsense people against the madness of Social Credit is attempted.

Mr. Gray, incidentally, is in a unique position to lead a union group. He was originally a Conservative; he was a public official under the farmer government, and he is now Liberal leader. He has also been

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King Believed Ready to Lift Bars to Trade

Hint of New Canadian Policy Seen in Radio Speech

EMPIRE SECOND

From Our Own Correspondent

OTTAWA.—In the radio address which he delivered to the Canadian people on Monday night over a coast-to-coast network, Prime Minister W. L. Mackenzie King is regarded in Federal circles as having not so much reported on his mission of the past two and one-half months on the other side of the water, as indicated the attitude toward world affairs which will condition the policy of his ministry during the months to come.

That attitude may be analyzed into four basic factors, viz:

1) A strong hope that war may not come in Europe, rather than a conviction that it will not come;

(2) A consequent determination that Canada will pursue a defense policy which will "keep her powder dry" for any emergency.

(3) A firm belief that if war is to be avoided, only a revival of international trade and closer world relationships can avert it.

(4) A resolve that whatever influence Canada may possess as a world nation will be thrown aggressively into the cause represented by the foregoing paragraph—that the Dominion will stand in the very vanguard of the nations in setting an example of world co-operation, particularly in trade matters.

An important consequence follows: If Canada is to seek international trade by every means within her command, it may mean that the handwriting is on the wall for the Imperial trade agreements. Some responsible circles on Parliament Hill agree with that conclusion.

Peace and Trade

Quite evidently, federal circles are saying, the Prime Minister believes that world peace depends upon the issue of reviving freer world trade. It is manifest, furthermore, that he considers the avoidance of war the paramount duty of every nation. And the tone of his remarks leaves little room for doubting that where Imperial trade barriers may conflict with what he considers to be the interests of peace, the Imperial trade barriers will be sacrificed. That such an inference is justified is clearly indicated by the fact that the Prime Minister quoted Rt. Hon. Neville Chamberlain of Great Britain as declaring that "we (the British nations) have shown that a selfish and exclusive economic nationalism forms no part of our common creed."

Canada's first effort in the direction of clearing away international trade barriers, it is expected, will take the form of negotiations with the United States for the widening of the existing reciprocity pact. A factor in this, it is anticipated, will be the deal between the United States and Great Britain which has been under discussion for several months past. Generally speaking, the next few months are regarded as certain to witness a broad shuffle in United States — Canadian — Great Britain commercial relations which will mean a drastic disturbance of the existing Imperial preferences.

No Reform Programme

Any idea that the Prime Minister may have any lingering intention of duplicating the "Reform Programme" of Conservative Leader R. B. Bennett, which the Privy Council largely nullified, is considered by Parliament Hill to have been dissipated by the address. Mr. King makes no other suggestion for remedying the economic and national ills than a revival of international co-operation. He speaks of "an age of transition," but it is the countries of Europe which he mentions as experiencing it. Quite evidently he considers social justice as having been laggard in the Old World. The only problem which Mr. King visualizes Canada as facing, is the difficulty of avoiding the repercussions of European movements. He impresses upon Canadians how fortunate is their lot, in their possession of democratic institutions, incalculable natural resources, liberty, and individual freedom of thought, of speech, and of conscience.

There are those in Ottawa who believe that this last remark was an indirect reference to Premier Mitchell F. Hepburn, and the campaign which he has been carrying on against the C.I.O. It is thoroughly unlikely, however, that such was the case. The Prime Minister's speech throughout was on the high plane of international affairs, and it is wholly improbable that he intended any part of it to be interpreted as a commentary on an internal Liberal family quarrel.

Will Ontario Hydro Offer New Contracts?

Maclaren and Beauharnois Deals Expected in Some Quarters

POWER LOAD JUMPS

Will the Ontario Hydro offer new power deals to Maclaren-Quebec Power Co. and Beauharnois Light, Heat & Power Co.?

Investment dealers who have been optimistic over prospects for Maclaren and Beauharnois securities suggest the answer is "yes" although official indications of such proposals are lacking.

The Financial Post reported two weeks ago the view of an informant friendly to the Hepburn Government that the cancelled Beauharnois contract would ultimately be settled, but warned that such reports could not be confirmed. Also unconfirmed was the report that the Hydro chairman, T. Stewart Lyon, would soon resign.

Hitherto, reports of new power deals for Maclaren and Beauharnois have been misleading.

Although not confirmed officially, a new report comes to The Post this week from a usually reliable informant to the following threefold effect:

1. It is more than likely that Mr. Lyon will soon resign and be replaced by Dr. T. H. Hogg, chief engineer of the Hydro.
2. After an interval a larger power offer will probably be made to Maclaren-Quebec Power Co.
3. After a further interval an offer to Beauharnois.

Gatineau Affected

It should be noted that the Hydro's present contract with Gatineau Power Co. requires full payment for 119,000 h.p. now held in reserve before additional power can be purchased from other Quebec companies. This clause in the Gatineau contract means:

1. That Gatineau Power Co. stands to get first cash benefits from additional power purchases by the Hydro.
2. That the Hydro Commission will think twice about having to pay for Gatineau power in arranging any additional contracts.

Probably the most favorable feature of the situation for the Maclaren and Beauharnois contracts is that the power load in the Niagara system, for which most of the Quebec power is purchased, is showing a striking increase. In June, for instance, the Niagara system's peak load of primary power was over 155,000 h.p. above that of June, 1936. If such an increase were carried through to the winter months of November and December when the load normally climbs to the highest point of the year, the Hydro would probably require all the Gatineau

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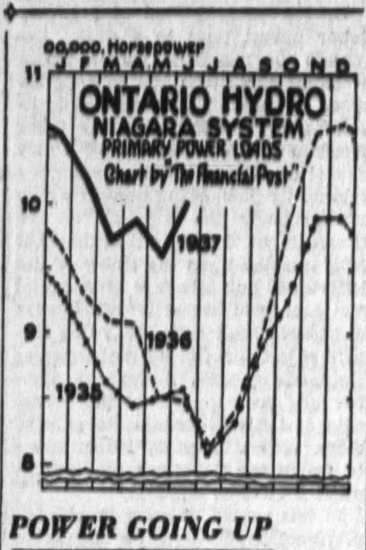

POWER GOING UP

Ordinarily power load of the Ontario Hydro's Niagara system drops sharply in summer months. This year, however, the load obstinately refuses to take the usual decline and is running far above the summer levels of 1935 and 1936 as charted above. If the increase in summer load carries through to November and December the peak for the year would far exceed the 1936 top which was well above the 1935 peak.

Plans are Increased For Employee Welfare

Canadian Companies Extend Scope of Benefit Schemes

SECURITY ASSURED

Following is the first of a series of articles on the methods by which Canadian industry seeks to benefit the welfare and protect the security of its workers. The opening article shows the striking advance made in adoption of policies by which industry has accepted responsibility for its workers. Future articles will deal with the chief systems in operation and report on the plans of leading Canadian companies.

By GUY S. CUNLIFFE
Staff Writer, The Financial Post

Behind a veil woven of lack of publicity, general misapprehension, and criticism fostered largely by labor agitators, Canadian employers have gone far toward improving the welfare and security of their workers.

Through a comprehensive variety of methods aimed at ensuring their employees' health, contentment and security against disaster, an increasing number of Canadian industrial concerns shoulder responsibilities and confer benefits which in most cases substantially augment the direct rewards paid for services rendered in the shape of wages or salaries.

In virtually all cases, such schemes have been initiated and maintained with little or no fanfare in public prints. At the same time, there has been persistent—often bitter—criticism directed by labor organizers and others against the treatment of industrial workers. While this criticism has been aimed primarily at the smaller and more laggard type of industrial plant, it has combined with lack of public knowledge to reflect upon industry and employers generally.

In some cases, no doubt, public opinion and criticism of industry has inspired programmes of extra-benefit employee welfare. By and large, however, the enlightened and progressive concerns which have instituted such plans have done so spontaneously. Benefits in question are enjoyed to an impressive degree

(Continued on page 2, col. 4)

C. P. R. Silent On Bond Issue

From Our Own Correspondent

MONTREAL. — The Canadian Pacific Railway sold an issue of equipment trust certificates to a syndicate of Canadian banks several months ago. No public offering of the issue was made, but it is stated that some of the certificates were subsequently offered to the insurance companies by the banks.

Questioned by The Financial Post on the matter, C. P. R. officials admitted that the issue of certificates had been sold privately, but refused to divulge the amount, coupon rate or term.

It is understood, however, that the issue was for a substantial amount. Expenditure of the railway on new rolling stock this year is estimated at over $20 millions.

Rains Revive Crop Outlook

Some Hope Now of 200 Million Wheat Harvest

Further rain has materially improved the crop outlook in the Prairie Provinces this week. Precipitation has varied from light showers to downpours of record proportions. While too late to save the commercial wheat crop in the worst of the dried out areas of southern Saskatchewan, this moisture will revive late coarse grains, pasture and gardens and thus materially relieve the burden of relief this fall and winter.

Possibly 200 Millions

In Alberta, it has been estimated that the rains of the last 10 days have added up to two bushels per acre to the prospective wheat yield of that province. Unfortunately, however, these rains have missed some suffering areas in western Manitoba and northern Saskatchewan

Total Canadian wheat prospects are now estimated at 150 to 200 million bushels as compared with 25 million less a week ago.

World Position

Despite Canada's failure, world supply of wheat this year is expected to exceed last season's total by 100 million bushels. This is due to promising yields in United States, Italy and Russia. Even with a moderate increase, however, total wheat supply may not equal total demand and further depletion of already slim reserves is expected. On the other hand, current light buying by Europe indicates confidence in that quarter that actual world harvests will be better than North American observers anticipate and there may be sufficient to go around.

Highlights

Canada's Tax Exiles

Wealthy Canadians, Britishers and Americans escape long hand of taxgatherer in idyllic haven of Bahamas. Levy on Oakes's estate is $192 yearly. Page 9

Mining Maladies

Are mining stocks on the bargain counter at present prices? Improved outlook finds public apathetic toward Canadian mine securities. Page 15

Foreign Bonds

Expansion in Brazilian export trade brings better outlook for Brazilian bonds but substantially increased interest payments are not yet in sight. Page 3

Alias Barnaby Brooks

Collin Brooks, editor, financial expert and Rothermere watchdog in Abitibi reorganization, is also an author of detective thrillers. Page 16

Better Homes

Canada's Home Improvement Plan, off to a laggard start, now promises to reach $15 millions in new home loans this year. Page 8

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Split is Seen Over Policy Of the N.E.C.

A. B. Purvis Impatient With Delay on Employment Plans

MEMBERS DIFFER

From Our Own Correspondent

OTTAWA.—Reports persist here that a change is scheduled in the personnel or policies of the National Employment Commission.

There has been a noticeable slowing down in the report activities of the Commission; the Home Improvement Plan has not proved an Aladdin's lamp in solving the unemployment problem; Chairman Arthur B. Purvis is said to be displeased with the lack of government co-operation, while members of the Commission are not wholly in agreement as to the best plan to be followed in dealing with the problem of the unemployed.

A considerable amount of work has been done by the Commission under Chairman Purvis in surveying the employment situation. Statistics have been gathered, investigations made and many plans studied. From these the Commission submitted a recommendation to the Government for approval. This is said to have been done some time ago, but to date the Cabinet has not passed upon it due to the absence of various members at the Imperial Conference and elsewhere.

Naturally recommendations made by the Commission to the Cabinet are of importance politically and otherwise. For that reason it is not likely that the Government will take action until it is possible for the report to be studied by all members of the Cabinet.

Problems to Solve

Despite the fillip given to the construction and allied industries by the Home Improvement Plan, total volume of construction undertaken in the country remains disappointing. Moreover, it is apparent that the amount of employment created under this scheme, while helpful, particularly during the summer months, is not a complete cure to the unemployment problem.

The short crop in the West will probably add further to the unemployment problem this fall, as limitation of spending power in the West may serve to curtail industrial activities in the East.

Want Basic Plan

On the whole the employment outlook over the near term is not too encouraging. For that reason it is regarded as essential to have a workable plan functioning now in order to cope with the situation.

The Commission is cognizant with the situation and for that reason is anxious to have the "go" signal from the Government. The delay is said to be proving irksome to Mr. Purvis whose experience in the past has been in dealing with governments from the outside rather than the inside.

Then, too, there is the report that differing views exist among the Commission members as to the best way to handle the employment problem. The large personnel consists of individuals of varied experience and whose opinions are likely to be equally diverse. There is no indication that the differing views are of a major character, but the differences are apparently not without their effect on the workings of the commission.

Purvis May Resign

It is likely that the recommendations of the Commission will be studied by the Cabinet at an early date. This is necessary if any new plan is to be put into workable shape before the winter sets in and the consequent increase in unemployment. Further reports are that Chairman Purvis wants action on the report, so that he get ahead with the job, report progress and then return to private work.

Mr. Purvis serves as chairman of the National Employment Commission without remuneration. He has devoted half or more of his time to his volunteer duties, commuting between Ottawa and Montreal by airplane and usually spending half of every day in each city.

That Mr. Purvis would not hesitate to resign if he felt he were not securing the co-operation from the Government to which he was entitled, is taken for granted. At the same time Mr. Purvis has a reputation for getting things done, and if he walks out the damage done to the Government's prestige would be considerable.

Cellulose Age For Canada

The dawn of the day of cellulose has again brought Canada's forest resources into the spotlight. Within the past six months projects have been announced for the manufacture of bleached sulphite representing an investment of millions of dollars.

Products of this new Canadian industry built up on the manufacture of textiles, plastics and a hundred other recently introduced commodities are being shipped to the United States, Europe and Asia.

What is Canada's future in the cellulose age? How vast is the market for this chemical substance of which the Dominion holds a key position?

These and other aspects of this world picture will be brought together in a comprehensive survey to be published in an early issue of The Financial Post.

For Canadian investors in foreign bonds The Financial Post is currently presenting a survey of these securities. The third of this series of articles will appear in next week's issue.

Fanny Farmer Shares Higher On Stock Sale

Offer at $24½ Would Reduce O'Connor Holdings

EARNINGS GAIN

Offering of common shares of Fanny Farmer Candy Shops Inc. at $24½ is being made privately in Toronto, The Financial Post understands. A public offering is anticipated. The offering is reported to represent further liquidation of holdings of the president, Senator Frank P. O'Connor, who is also president of Laura Secord Candy Shops.

Senator O'Connor's personal holding company, Candies Investments Ltd., retained 102,000 shares of Fanny Farmer stock after sale of 180,000 shares at prices ranging from $5¾ to $8 a share in 1934. That sale was carried out through A. W. Porter Inc., New York, and H. R. Bain & Co. has been linked with the current offering.

The private offering of shares at $24½ almost coincided with the recent advance of the stock market price to a record high.

The company has 390,468 shares outstanding including Senator O'Connor's block which is therefore over 25% of the total. Last year's earnings were $1.50 a share and a substantial increase is anticipated for 1937.

Tax Affects Yield

The company's annual dividend rate three years ago was equivalent to 25 cents a share on the present stock. Now it is $1 a share, due to sharply improved earnings. The current yield of about 4% is affected by the American Government's withholding tax on dividends paid to non-residents. Fanny Farmer operates its chain of some 200 stores entirely in the United States.

The U. S. withholding tax is 10%, but is being reduced to 5% by treaty with the Dominion Government. The 5% tax will result in effective cash dividends to 95 cents a share and a yield of 3.9% at $25 a share.

When the reduction in the tax from 10% to 5% is completed, the difference for dividends paid in 1936 and 1937 is returnable to shareholders.

The funds have been held, pending completion of the treaty, by the company's dividend-paying agents, and distribution to shareholders can therefore be effected promptly.

Life Business Increase 20%

June Insurance Sales Are Highest in Last Five Years

Reflecting generally improved business, and a more optimistic outlook for the future, sales of life insurance in Canada during June mounted to the highest total for any month in the last five years. June figures are 20% above those of a year ago, and are higher than in May by almost the same proportion.

Improvement in sales has been reported by most of the companies in the Canadian insurance field, many showing the best year since 1931. Improvement has not been confined to the production end of the business. Fewer policies are being allowed to lapse. Policy loans are substantially below a year ago.

Based on returns to the Life Insurance Sales Research Bureau, June sales totalled $37.7 millions, an increase of $5.5 millions over the previous month and of $6.4 millions over the same month a year ago. It is the peak month since June, 1932.

Similarly, the experience of the first half of this year has been the best since 1932. The cumulative sales total for the first six months amounts to $192.7 millions, as against $181.3 millions in 1936.

Improvement General

In comparison with the previous month, June business was materially better in all provinces. Ontario and Quebec, which between them write the bulk of the business transacted in the Dominion, each registered gains of well over $2 millions. In actual volume, gains in other provinces were smaller, but the proportionate advance was even greater. As against 1936 figures, Prince Edward Island was the only province to report a lower total, and the reduction there was very small. A very slight reduction was also shown by Newfoundland.

Rapid Bond Sales Show Market Turn To Wholesale Deals

Short-term Low Rate Unattractive to Small Investors — Retail Sales Negligible

This week's Ontario short term loan of $20 millions was sold completely by the managing syndicate within three days. The greater part of an issue of C.N.R. equipment certificates was also sold promptly, largely to banks. Other recent issues have been disposed of rapidly.

These rapid sales show how low interest rates and short term issues have turned the bond market into one of wholesale disposal to banks, insurance companies and other large investors.

The business of retailing high-grade Government bonds to the individual investor has dwindled almost to the vanishing point whereas it was formerly an important part of the bond dealers' operations. The small attention paid to the retail buyer of high-grade bonds is reflected in the minute amount of advertising in connection with the C.N.R. and Ontario issues.

Major portions of the two loans were sold to banks as soon as they were purchased by the bond syndicates.

Many bond dealers confess that such bonds are designed for easy sale in large blocks and not for the retail buyer who has lost interest in high-grade issues because of very low interest rates.

Position of Banks

One aspect of the change in the high-grade bond business that does not appear to have been widely recognized is the alteration in the former position of banks. Formerly banks participated in bond syndicates largely as lenders during the period when dealers were selling the securities. The banks also retailed many bonds.

The banks are still lenders to some extent in the syndicates, but they are themselves the large buyers of the low-coupon, short-term bonds. In other words, banks are lending to the bond-issuers such as the C.N.R. and the Ontario Government by purchasing the securities whereas formerly they were to a large extent merely acting as temporary lenders to bond dealers.

The eventual outcome of the new developments in the bond business is not entirely clear. The short-term issues sold in recent years have been coming due and the necessity of continued refinancing of such loans will continue unless the borrowers are able to pay them off with surplus revenues.

One reason for the popularity of short-term bonds with banks and other large lenders is that the belief persists that interest rates may rise in the next five or ten years. That would mean lower prices for long-term bonds, but would enable the holders of short-term issues to recover their funds and lend at more profitable rates.

Perhaps the outstanding aspect of the short-term, low-coupon, bond technique, designed to appeal to big buyers, is that it has little attraction for the average investor who is therefore being weaned away from gilt-edged bonds and into other securities like preferred stocks. The investor is finding it increasingly difficult to procure satisfactory corporation bonds to yield a "safe" 5%.

Eng. Electric Sells Lamp Co.

Sale and Dividends Reflect High Volume of Business

English Electric Co. of Canada has sold the business and undertaking of the subsidiary formed last year, Anglo-Canadian Electric Lamp Co. The lamp firm was formed to take over the business in "Barlux Tubelights" and to manufacture incandescent electric light bulbs.

The plans of English Electric to enter the electric lighting field were developed in the depression years when the company's run of business in heavy electrical equipment was very low. Now the company is so busy with orders for equipment, an official informs The Financial Post, that there isn't the time to devote to development of the light bulb business.

The amount received for Anglo-Canadian Electric Lamp Co. has not been disclosed.

Sale of the light company and the high volume of current business is reflected in declaration of a dividend of 62½ cents a share on the 46,190 shares of English Electric class A stock, payable Sept. 15 to shareholders of record Aug. 31.

Regular $3 Rate

The company intends to maintain regular quarterly dividends. The class A stock is entitled to annual non-cumulative dividends of $3 a share before any payment may be made on the 50,000 class B shares. Last year's earnings were equivalent to $1.55 a share on the class A stock.

Late in 1936 a writ was issued by Canadian General Electric Co. against English Electric Co. and its major subsidiary, Canadian Crocker-Wheeler Co., for an injunction restraining the latter companies from alleged infringement of patents concerning electric light bulbs. The Financial Post understands that the court action was withdrawn prior to the sale of Anglo-Canadian Electric Lamp Co., the newer English Electric subsidiary.

Although English Electric will not operate in the electric field, The Post understands that it will make use of the $400,000 raised recently by sale of 10,000 class A and 10,000 class B shares largely on improvements and additions to its plant at St. Catharines, Ont.

The lamp subsidiary had planned to operate at Oshawa, Ont., and had taken over a plant there formerly occupied by Oriental Textile Co.

Dom. Stores Profit Small

But Half-year's Profit Contrasts With Losses

Dominion Stores Ltd. had a very small profit in the first half of 1937. Although the earnings were negligible they have been on the right side of the ledger in contrast with a loss of $36,992 for the first 24 weeks of 1936 and a loss of $370,570 in the corresponding period of 1935. Sales of $1.5 million are reported for the four weeks ended July 10, 1937, a decrease of .7%, compared with the corresponding 1936 period. This year the company was operating 482 stores, however, compared with 498 stores in July, 1936. The decrease in number of stores is 3.2%, and the smaller percentage decrease in sales means that volume per store has been increased.

Sales Up 1.57%

The company's sales for the first 28 weeks of 1937 totalled approximately $10,545,000 an increase of 1.57% over the same period of 1936.

Comparative sales figures follow:

Four weeks ended:	1937 $	1936 $	Incr. %
Jan. 23	1,457,927	1,413,478	3.14
Feb. 20	1,474,990	1,452,068	1.58
Mar. 20	1,544,860	1,513,387	2.08
Apr. 17	1,547,273	1,510,892	2.41
May 15	1,515,533	1,517,152	*0.11
June 12	1,503,839	1,463,362	2.77
July 10	1,500,204	1,511,080	*0.72
28 weeks	10,544,626	10,381,419	1.57

*Decrease.

Textile Plants Face Strikes

Trouble Looms in Ontario and Quebec Mills

Plants of Canadian Cottons Ltd. and Dominion Textiles Co. in Ontario and Quebec were either affected or threatened with strikes this week.

Operations were crippled at three mills of Canadian Cottons in Cornwall, Ont., by a walkout organized by the local branch of United Textile Workers, C. I. O. affiliate. Approximately 1,700 men and women are employed in the three plants. The strike was precipitated 36 hours before the deadline set by the union for reply by the management to demands made last week, including wage increases and sole bargaining rights.

Some weeks ago, The Financial Post was told by Dr. A. O. Dawson, Canadian Cottons president, that he had no objection to dealing with a union as representative of employees, but he reserved judgment as to whether he would deal with a C.I.O. unit. However, proposal was recently made by Arthur Laverty, president of the Cornwall union, that it secede from the C. I. O. and form an all-Canadian textile labor body in conjunction with textile units of the National Catholic Unions in Quebec.

These Catholic unions have threatened strikes in Dominion Textile plants at Montreal, Drummondville and Valleyfield unless the company meets demands for sole bargaining rights and wage increases. The company insists that the wage demands are preposterous and that the unions have enrolled only a minority of the 15,000 employees.

Both companies are in a strong position to withstand the effects of a strike, being fortified with substantial working capital and reserves, inventory and otherwise. However, textile plants are at present running at capacity or nearly capacity, and a strike of protracted duration would undoubtedly cause serious loss of business or, at best, disruptive delay in delivery of orders.

Cockshutt Plow Sales Gain But Year's Result Dubious

Sales of Cockshutt Plow Co. showed substantial improvement in the first half of the company's year compared with the corresponding period of 1936, but the recent deterioration of crops in western Canada is expected to result in some curtailment in business.

This year the company's plants at Brantford have operated at capacity and production will show a considerable increase over 1936. As the company has to manufacture inventories in anticipation of sales it is possible that any diminution in the increase of sales over the remaining months of the year will leave inventories higher than last year.

The company has not yet increased prices of its products despite higher costs of materials and wages, but an advance in prices of agricultural implements is expected soon.

In selling on credit the company has been following a policy of requiring a substantial portion of cash with purchases and this has been well received by customers.

"The company is off to a good start on its year, but with the crop deterioration in western Canada we cannot estimate results for the full year," an official comments to The Financial Post.

In the year ended Nov. 30, 1936, with increased sales, the company showed a net profit of $21,486 equivalent to seven cents a share, compared with a loss of 73 cents a share in the preceding year.

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THE T. EATON Co LIMITED

Foundation Co. of Canada Finishing Saint John Job

From Our Own Correspondent

MONTREAL.—Saint John Dry Dock and Shipbuilding Co.'s partnership with the Foundation Co. of Canada, in connection with the construction of the new berths at West Saint John, has been dissolved.

Foundation Co. is carrying on with the contract and is expected to have all four berths completed early in October. At present all work is completed except the upper concrete. The superstructure is finished, cylinders have been completed, piling all driven and finished, as are the timber relieving platforms. It remains only to complete part of berth 4 and a small piece of the junction of berths No. 1 and 2.

Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines
July 13	26,300	51,800	658,000
July 14	38,100	64,600	695,000
July 15	19,700	26,300	373,000
July 16	20,500	30,400	369,000
July 17	11,800	12,600	193,000
July 19	21,400	24,500	509,000

Gatineau Power

Company

Preferred and Common Shares

Bought - Sold - Quoted

MIDLAND SECURITIES CORPORATION LIMITED

Dominion Bank Bldg. TORONTO - ONTARIO

Huron - Erie Bldg. LONDON - ONTARIO

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■ Branches of this Bank in London, Paris and New York, and in the West Indies and Central and South America, are at the service of Canadian business men.

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Toronto Lists Firestone Pet. Prairie Royal

Financing Arrangements Typical of Trend in Alberta Oils

TRUSTEE GETS FUNDS

Two more Turner Valley oil stocks, Firestone Petroleums and Prairie Royalties, have been approved for listing on The Toronto Stock Exchange, and posted for trading on July 23.

Financing arrangements of the two companies, arrangements which appear to be becoming the accepted method in Alberta, are identical with both companies and similar to that of Monarch Royalties. Under agreements entered into by Firestone and Prairie separately with Anglo Canadian Development and Holding Co., which acts in both cases as the drilling contractor, 800,000 shares of the 1,250,000 issued to the drilling company are to be sold for not less than 25 cents per share. The proceeds, less a commission, are to be placed with the Trusts and Guarantee Co. for the purpose of financing the well.

In both cases the 800,000 shares have been sold, netting each company $160,000. The agreement further provides that upon completion or abandonment of the well, any portion of the proceeds of the sale of the 800,000 shares is to be paid to the company concerned, and the balance delivered to the drilling company. Should the funds realized not be sufficient to drill the well then any part of the 450,000 shares remaining in the trustees (other than 125,000 shares which go in any event to the drilling contractor) may be sold to finance the completion of the well.

Any surplus funds remaining in the hands of the trustee thereafter are to be paid to the contractor. Should the proceeds still not be sufficient to complete the well, then the agreement stipulates that the company concerned shall issue treasury shares, surplus funds to go to the company.

Capitalization

Both Firestone and Prairie Royalties are capitalized at 2.5 million shares, of 25 cents par value, with 1,250,000 issued. Firestone holds oil and gas leases on 40 acres and surface rights on 10 acres of LSD 13, Sec. 16, Twp. 18, on the west flank, with the well down 3,700 feet, while Prairie Royalties holds similar rights on LSD 16, Sec. 17, Twp. 18, with the well down 5,100 feet as of July 16.

In the case of Firestone, Okalta Oils is to receive 10% of the royalties and in the event of the well producing 500 barrels or more per day, 15%, while the Alberta Government receives the usual 10%. Royalties payable by Prairie are 12½% to Calgary and Edmonton and 10% to F. P. Byrne.

DIVIDEND NOTICES

Dominion Bridge Company, Limited

DIVIDEND NOTICE

A Dividend of THIRTY CENTS (30c) per Share has been declared on the No Par Value Shares of this Company for the Quarter ending 31st July, 1937, payable 14th August, 1937, to Shareholders of record at the close of business on the 31st July, 1937.

By Order of the Board.

F. W. EVENS, Secretary.

Montreal, Que., 20th July, 1937.

The Nation's Business

(Continued from page 1)

conspicuously successful in business as manager of the Eastern Irrigation District.

• • •

IN circumstances such as those that now prevail in Alberta voters do not ordinarily vote for somebody or some party. They usually vote against the party in power.

If the revulsion against the Aberhartians were to lead to a merry scramble for office on the party of a number of antagonistic groups, the consequence might be that some small minority group of no responsibility would hold the balance of power. There was some danger for a while that the Communists might gain this position. But with the disposition on the part of Conservatives, Liberals, United Farmers and People's Leaguers to work together, the alternative government to the Aberhart Government is more clearly to be seen. And it should be a reasonably progressive as well as sensible government. It certainly will not be reactionary.

• • •

IN THE meantime, Alberta will not have a new government until Mr. Aberhart takes his party to the polls. As that inevitably means to the cabinet ministers the loss of their salaries and to most of the Social Credit members the loss of their indemnities, the election date will from time to time be deferred by such tricks and devices as calling in outside "experts" on Social Credit to make surveys and promises.

No Closed Shop For Quebec Province

ANY interference with the right of workmen to work freely will not be tolerated in Quebec, says Premier Maurice Duplessis, who is firmly opposed to the closed shop, or what he calls a state within a state. While recognizing that workmen have the right to organize, he is emphatic in saying that neither international unions nor Catholic unions will be permitted to establish a closed shop in the province.

During every period of recovery labor unrest rises to a peak. Demands for increased wages, better working conditions and so on grow more frequent. This condition in itself is not unusual, but the labor troubles of late have been of a new character. Union leaders have gone further by demanding powers which are properly the function of the Government. In doing this, they not only trespass upon the rights of the individual but interfere with social and economic life at large in order to achieve their ends. It is this feature of union activities that Premier Duplessis opposes. As he says, Quebec has laws to protect the workmen and a Government to enforce them. Any attempt by labor unions to usurp the functions of Government should be opposed.

In this regard Premier Duplessis's pronouncement will be supported by those who believe in the administration of public affairs by the elected representatives of the people and not by others.

Plans on the Increase For Welfare of Employees

(Continued from page 1)

by workers in industries or plants in which there has been little or no union penetration. In regard to almost all of the pay-supplementing compensations, unions and even employee committees in plant council establishments have never gone as far in making demands upon employers.

Ahead of Unions

Organized labor has confined itself, until the past year or so, to pressing for more pay, less work and easier working conditions. Even in this regard, the larger and more farsighted companies have often kept well ahead of workers' objectives. In a broad sense over a period of years, they have left labor leaders and workers' spokesmen in the position of "mopping up" to bring more backward firms up to the standards they have set.

In some quarters, the conception is held that the larger and more successful a company may be, the more soulless, inhuman and selfishly inconsiderate it is toward its employees. Study of existing conditions reveals that it is the bigger and more prosperous concerns that have led the way in sharing with employees the benefits of size and prosperity. Those firms unable or unwilling to extend their responsibility for workers beyond payment of rock bottom wages have been left to face pressure of labor organization and compulsory legislation.

Even a partial survey of leading industrial concerns reveals that a surprisingly large number have built up such methods of employee welfare and security as pensions, group insurance, holidays with pay, recreation and sports facilities, profit sharing, accident prevention, health programmes, and savings plans under which supplementary deposits are made by the company. Some have adopted only one or two such schemes. Others are employing all the plans mentioned and have developed others.

Concrete Benefits

Labor leaders and propagandists are inclined to sneer at employee welfare schemes on the grounds that they constitute paternalism designed to lull the workers into a state of amenable docility—against which, of course, union organizers would find it hard going. But the workers involved get concrete benefits, in cash, in realizable assets, in better health and safety. Any benefits derived by the companies, in the shape of loyalty, goodwill, and continuity of employment, are more or less intangible; and the chief motive for instituting welfare plans in most cases appears to be a genuine desire to assume greater responsibility for those who serve the enterprise jointly with management.

Investigation by The Financial Post indicates that the extent of such plans has increased rather than receded during the depression. While many firms have abandoned or suspended their welfare schemes in whole or part, so many others have joined the ranks that the total has steadily risen.

The advance has been particularly notable in regard to group insurance and pensions or annuities. Between 1929 and 1936, the total value of group insurance policies in force increased from $436 millions to $552 millions. The premium income paid out under group policies last year in Canada was over $6 millions, of which a substantial portion was paid directly by employers.

According to federal statistics, the number of group contracts in force in the Dominion last year was 2,354 an impressive figure even after allowing for coverage by several insurance companies of single groups of employees and for inclusion in the total of group annuity contracts. The number of group annuity contracts listed for last year is 207, covering a total of 19,107 persons.

Ontario Survey

Reflection of expansion in the granting of holidays with pay to wage earners as well as salaried employees is found in data gathered by the Ontario department of labor. In 1929, the department made a survey of Ontario industrial welfare plans which, while it is not national in scope, is still the nearest approach to any general analysis of operative welfare schemes in this country. At the time of the survey, firms which gave holidays with pay to wage earners numbered 62, employing 59,000 workers or 32% of the 185,000 employees in the 300 firms covered by the report.

This year a special survey limited to holidays-with-pay plans is under way, and preliminary reports from 20 firms reveals that 15 concerns or 75%, employing an estimated total of 3,500 workers grant paid vacations to production workers. Some of the firms limit the vacations to one week after 10 years of service, but others give a week after as little as six months service.

The findings in the more general survey of 1929 still form a reliable gauge of the scope of employee welfare progress in the Dominion, considering that industrial operations of Canada are largely concentrated in Ontario. Allowing for net increases in the extent of such plans in recent years, they form a basis for estimates of the current extent of welfare policies.

Employee Benefits

Included in the report were the following statistics showing the percentage of the 300 firms surveyed which had adopted various welfare plans, and the proportion of employees benefitted out of the 185,000 embraced by the report:

	Firms No.	Firms %	Employees No.	Employees %
Holidays with pay‡	158	53	117,402	64
Group insur. (life)	104	35	51,629	28
Sickness, disability insurance	78	26	88,654	48
Pension, annuities†	61	20	103,917	56
Profit sharing plans	16	5	30,243	16
Stock purchase	44	15	35,962	18
Savings plans	35	12	50,669	27
Recreation facilities	123	41	138,950	75
Meals at cost or less	109	36	101,816	55
Plant hospitals or first aid facilities	135	45	115,092	62
Employee representation	65	20	127,478	65

‡Only 62 firms gave all production workers holidays, other giving paid vacations only to foremen and salaried workers.

†Of these 61 firms, 12 had no systematic plan but made provision for retiring old employees as circumstances and need required.

Kingston Conference

At an industrial relations conference in Kingston last fall, sponsored by the two personnel associations and Queen's University, an impressive attendance of experts on the subject reflected the active interest of leading industrial concerns in both Ontario and Quebec. Among the concerns represented at the conference were the following:

Ford Motor Co.
The T. Eaton Co.
Swift Canadian Co.
Dunlop Tire & Rubber Co.
Toronto Hydro-Electric System.
Canadian National Railways.
Canada Packers, Ltd.
Sun Life Assurance Co.
Steel Co. of Canada.
R. C. A.-Victor Co.
Bell Telephone Co.
Canadian Kodak Co.
Interlake Tissue Mills.
General Motors of Canada.
Canadian Industries Ltd.
Cosmos Imperial Mills Ltd.
Dominion Rubber Co.
Dominion Stores.
International Harvester Co.
B. F. Goodrich Rubber Co. of Canada.
Canadian Locomotive Co.
Aluminum Co. of Canada.
Plymouth Cordage Co.
Canadian Pacific Railway.
Ontario Paper Co.
Imperial Tobacco Co.
Canadian National Carbon Co.
Canadian Manufacturers' Association.
E. B. Eddy Co.
Imperial Varnish and Color Co.
Canadian Ornaments Co.
J. D. Woods & Co.
Dominion Oilcloth & Linoleum Co.
Toronto Transportation Commission.
Canadian Bridge Co.
General Steel Wares Ltd.
Goodyear Tire and Rubber Co.
Imperial Oil Ltd.
York Knitting Mills.
Robert Simpson Co.
Canadian Industrial Alcohol Co.

Most if not all of the enterprises listed maintain employee welfare schemes such as those tabulated above, and those that do not take an active interest in the problem go as far as their resources will allow.

TREE LINE HEAD

Frank O. Dayton, formerly general freight agent for C. S. L. at Winnipeg, who has been appointed managing director of the Tree Line Navigation Co., Montreal.

Pass Merger Of Can. Hydro

Senator Meighen to Continue Fight Against Plan

From Our Own Correspondent

MONTREAL.—Warning that "the vote at this meeting does not end the battle," Rt. Hon. Arthur Meighen, president of Canadian General Securities, sought unsuccessfully to get better terms for first preferred shareholders in the proposal to merge Canadian Hydro-Electric Corp. with Gatineau Power Co. The final vote was 76,667 shares in favor of the plan and 15,858 against. Over 2,800 shareholders voted for the plan, while 243 voted against.

The next step in the proposed merger is to seek approval of the Supreme Court of Ontario. After this is done it will be necessary for Gatineau Power Co. to go to the Quebec court for approval of the merger, after which the Quebec Electricity Commission will approve or disapprove the scheme. The opposition group, led by Senator Meighen, will have an opportunity to combat the scheme when the proposal is submitted to the courts.

Sees Benefit to Others

At the meeting here, Senator Meighen asserted the real purpose of the plan was to benefit International Hydro-Electric System, which controls all the second preferred and common stock of Canadian Hydro. A reorganization plan at this time is not necessary, he claimed.

Majority Accept Proposal

Senator Meighen said that the opposition group which he headed was willing to approve the merger provided that one of the alternatives he recommended was adopted. He put forward three proposals: For each share of first preferred stock, 1⅛ shares of preferred stock in Gatineau Power; or one 5% preferred and two shares of common; or one 6% preferred and one share of common.

In its final form the shareholders approved a plan which will give the holders of the first preferred stock, one new 5% Gatineau Power preferred and 1½ shares of common stock for each 6% preferred share held, while the second preferred will receive 5.27 shares of new Gatineau common for each share held and the holders of the common 12/100 of a share in Gatineau for each share held.

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HEAD OFFICE, MONTREAL

BANK OF MONTREAL

ESTABLISHED 1817

ASSETS OVER $800,000,000

Duplessis Bars Closed Shops

Says Quebec Won't Tolerate Imposition of System by Unions

A strong stand against the C.I.O., support of Premier Hepburn's policy against the same body in Ontario, and declaration that the Quebec Government would not tolerate attempts by any type of union to impose the closed shop on Quebec industry, featured a special statement on labor policy this week by Premier Duplessis of Quebec.

The closed shop system, under which only union workers can be employed, was denounced by Mr. Duplessis as "a cause of disorder" and destructive of the freedom of the workers. He would not tolerate efforts to introduce closed shops, he said, regardless of whether such efforts emanated from National Catholic Uunions or from international unions of either the C.I.O. or A.F. of L. group.

Mr. Duplessis's declarations took on special significance in view of the recent strike at the Wayagamack Island plant of Consolidated Paper Corp. in Three Rivers. The walkout was ordered by two international unions in protest against the company's recognition of a National Catholic Union which had enrolled some of the workers in the mill, and in an attempt to force recognition of the international groups as sole agencies to represent the workers. The strike was settled after intervention by the premier and government officials, under unannounced terms which are believed to withhold the sole recognition demanded.

The premier may also have had in mind the violence-provoking strike some weeks ago of steel workers in several plants at Sorel. The walkout and its accompanying disorders were ended only after persistent but unconfirmed reports that the companies concerned had agreed to employ only men who belonged to the National Catholic Union organized among Sorel steel workers.

In recent months, Premier Duplessis and his government have been reported to be favorable to development of the National Catholic Unions as recognized agencies to represent Quebec workers, in preference to international unions, particularly those linked with the C.I.O. His declaration this week, however, indicates that he is not prepared to extend his encouragement and support to the point of allowing even the Catholic unions to enforce closed shop agreements, or pressing workers to join unions of any affiliation.

Vancouver Mart 30 Years Old

Vancouver Stock Exchange has issued a new manual, revised to June, 1937, marking the 30th anniversary of its founding. The book gives information on the exchange and on securities listed.

Volume of shares traded on the exchange has grown from 28.6 million shares for $16.9 millions in 1930 to 99.2 million shares for a total of $26.7 millions in 1936.

Describing the progress of the Exchange in 30 years, the foreword states:

"In 30 years it has grown from a very humble beginning to be the third largest stock exchange in Canada, just as Vancouver has risen, in the same interval, to become the third largest city in Canada.

"This progress of the Vancouver Stock Exchange in time with the city of Vancouver has a wider significance for the Exchange has been an integral part of western Canadian industrial development, its existence fostering and assisting the development of mining, one of the major industries of British Columbia, and doing much, as well, to develop the great potential oil resources of the Province of Alberta."

Canada Life Volume Advances 20 Per Cent

New paid for business of the Canada Life Assurance Co. in the first six months of 1937 represents an increase of 20% over the corresponding period of a year ago. Improvement is reported from the three major fields in which the company operates, Canada, the United States and Great Britain.

Terminations of policies from all causes is running 20% below last year's figure, and total business in force is showing steady increase.

U. S. Advertising Linage Moves Forward in June

From Our Own Correspondent

MONTREAL.—Newspaper advertising linage in 52 American cities, according to returns compiled by Media Records Inc. and published by Editor and Publisher, turned upward in June, after May's minor setback.

Total advertising linage in June was 121.8 millions, as against 117 million lines a year ago, an increase of 4.1%. Display advertising accounted for 95.9 million lines and classified 25.8 million lines, an increase of 4.1 and 3.8%, respectively, over the same month last year.

In the breakdown of returns, retail, departmental store, general and financial advertising recorded increases, while automotive advertising reported a slight falling off.

Over 50 Different Brands of Imported TOBACCOS!

SKETCHED:

Dobie's Four Square, 1 oz. 25c, 2 oz. 45c and 50c.

Dr. White's Presbyterian Mixture, 2 oz. 65c, 4 oz. 1.25.

Balkan Sobranie Tobaccos, 1 oz. 35c, 2 oz. 70c.

SIMPSON'S "Tobacco Shop" is a h(e)aven for the man who considers life not worth living without a pipe! We've assembled over 50 different brands of the finest imported tobaccos — call in today and ask for your favorite—Street Floor.

Phone Orders Filled—ADelaide 8411.

Simpson's

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Moncton Sch. Trustees	July	Johnston & Ward and Syndicate	3½%	15-yr.	$62,000	96.57	.....
Gr. Vancouver Water Dist.	July	Dominion Securities Corp. and Syndicate	4%	1938-63	1,055,000	.....	.....
Ingersoll, Ont.	July	Bartlett, Cayley & Co.	3½%	1-10 yr.	27,000	102.33	3.04%
Provincial—							
Ontario	July	Wood, Gundy & Syndicate	2%	1940	10,000,000	....	2.20%
			2½%	1944	10,000,000	....	2.85%
Dominion—							
Canada Treasury Bills	July	....	....	Oct. 15, '37	25,000,000	99.841	.632%

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Stock Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
S. M. T. Eastern, Ltd. (Carrying a bonus of 4 com. shs. with every 10 pref. shs.)	July	Irving, Brennan & Co.	6%	Pref.	$250,000	10	.....

Outlook for Foreign Bonds 2.

Increase in Exports Improves Prospects For Brazilian Bonds

But Holders of Securities Cannot Hope For Substantial Increase in Interest Payments — To Negotiate New Plan

By NORMAN A. WHITE

Of the millions of dollars Latin-American bonds held in Canada, bonds of the United States of Brazil and its political subdivisions are the most widely distributed. Thus the improvement in the outlook for Brazilian bonds during the past year or two is of vital importance to Canadian investors, especially since the present scheme of partial debt service comes to an end on March 31, 1938, and the whole scheme is to be reviewed before the end of September next.

During the current year, improved sentiment in regard to Brazil investments has resulted in appreciation in prices of Brazil bonds. Factors contributing to the better outlook are:

(1) Rising commodity prices, increased export trade and improvement in internal business activity.

(2) Strengthening of foreign exchange, the value of the milreis having risen in terms of the dollar and the pound sterling.

(3) Increased debt service, interest payments under the Oswaldo Aranha debt adjustment scheme reaching a peak in the year ending March 31, 1936.

(4) Expectations that the revision of the Aranha scheme which comes to an end on March 31 next will provide better debt service as a result of the improvement in Brazil's economic situation.

(5) The monetary accord recently reached between the United States and Brazil under which Brazil is to buy $60 millions of gold from the U.S Government. The purpose of the accord is to promote exchange stabilization and under the scheme Brazil agrees to keep the milreis officially valued at 12 cents, but selling slightly above six cents, tied to the dollar within certain limits.

Business Is Better

Of the economic improvement in Brazil there can be no doubt. Substantial benefit has been derived from rising commodity prices and not only has internal business activity improved but there has been marked improvement in export trade. The advance in coffee prices has provided ample funds for the increased debt service this year. The cotton growing industry is becoming of increasing economic importance and the growing diversification of exports has placed the economic life of the country on a broader and surer basis. The improvement in exports and the strengthening of foreign exchange are of considerable importance since the lack of available foreign exchange was one of the principal reasons for Brazil's default.

Indicative of the improvement is the increase in the surplus of merchandise exports over imports. In 1936 the surplus amounted to $53,6 millions as compared with $20.5 millions in 1935. During 1937 there has been little further improvement, the surplus of exports during the three months ended March 31 amounting to $13.5 millions as compared with $13.4 millions in the same period of 1936. During this period exports amounted to $83.4 millions, compared with $69.9 millions in the first quarter of 1936, and imports to $69.9 millions as compared with $56.5 millions.

Adverse Factors

While the improvement in the economic outlook in Brazil is a favorable factor, investors should not be too hopeful of better interest payments immediately as there are also a number of adverse factors in the situation. The budget of the national government continues out of balance and this situation may cause serious trouble in the future. The deficit for 1936 is estimated at $30.5 millions, compared with $12.3 millions in 1935 and $48.1 millions in 1934. Revenues in 1936 amounted to $217.4 millions and expenditures to $247.9 millions. The above figures are converted from milreis at the average annual rate of exchange.

Unfortunately, also, the political situation in Brazil is not clear so that in gauging the outlook the rivalries between the contending political parties must be reckoned with, especially since a presidential election is scheduled for 1938. Since the present administration came to power in 1930 the rights of foreigners with money invested in Brazil have received scant consideration. The present firmness of exchange does not indicate an unfavorable political situation, but it must be kept in mind that there is a censorship of news emanating from the country.

Coffee Prices Uncertain

It should also be remembered that the recent rise in the price of coffee is largely as a result of artificial measures and there is no assurance that the present price can be maintained. To say the least, the coffee situation is unsatisfactory. Attempts to control the market and raise the price by burning large amounts of coffee have merely enabled competitors to sell their output. The coffee muddle is as great as ever and confidence of the country in the government's scheme is gradually evaporating. Coffee stocks in Brazil are now larger than when the burning policy commenced in 1930.

While it is expected that Finance Minister Arthur de Souza Costa, who is at present in the United States, will open preliminary negotiations with bondholders, there is always the danger that the government will force on bondholders a unilateral agreement rather than a settlement arrived at by negotiation. A study made on behalf of British bondholders early this year indicated that the government might be able to offer better terms and that a negotiated agreement would be appropriate. This proposal, however, evoked a storm of protest from spokesmen in Brazil who declared that the government would again have to impose a unilateral agreement in accordance with its capacity to pay.

Permanent Settlement

American investors have taken the view during the past year that the present is not an appropriate time to negotiate a permanent settlement of foreign government defaults since agreements made under present economic conditions would be adverse to bondholders. The British view of the Brazil situation, however, is that a permanent settlement should be negotiated in order to put the debtor and creditor relationship as far as Brazil is concerned on a firm basis. It would be much better, according to the British view, if Brazil knew what it must live up to and if bondholders knew what they might expect.

Whether a temporary or permanent settlement is made, bondholders will have to make their contribution to its success. No useful purpose can be served by following the chimera of a future Brazilian prosperity that will restore to them the full contractual service on their bonds. Brazil cannot pay that service.

The total debt service in the current year as provided by the Aranha scheme is estimated at $66.5 millions. Further remittances abroad of dividends and commercial profits and for the cost of diplomatic and other representation are estimated at $35 millions. Thus, total payments to be met abroad amount to over $100 millions. It is obvious, then, that with a trade surplus of only $53.6 millions in 1936 Brazil cannot increase debt service to any great extent, even allowing for the fact that the export surplus figure may be inaccurate and for increased trade in the next few years.

It should not be overlooked, however, that there are a number of issues on which full debt service is being paid and that some of this debt service will be liberated in the future. For instance, there is one issue which must be repaid by 1941. The service thus liberated should be applied to the existing long-term debt, divided between interest and sinking fund payments. A part at least should go to improving the service on junior grades of bonds which are receiving very small service or none at all.

Dollar Debt $369 Millions

Canadians, as would be expected, are only interested in dollar bonds of Brazil, that is bonds payable in U.S. funds in New York. The dollar debt of the country is made up of four issues of the United States of Brazil, one issue of fractional certificates and one funding loan totalling $171.6 millions; 17 issues of individual states totalling $141.3 millions and nine municipal issues totalling $56.9 millions; making a grand total of $369.9 millions.

In addition to dollar indebtedness, Brazil has an external indebtedness of £168,973,682, francs 934,671,680 and a Netherlands indebtedness of Fl. 8,366,000.

The total public debt at the end of 1935 amounted to 12,783 million milreis which is equivalent to $1,094 millions.

Interest and sinking on practically all issues comprising the above totals went into default in 1931 and 1932, only three states being in default previous to that date.

Debt Service Varies

Early in 1934 the Brazilian Government passed a decree providing for partial service on most national, state and municipal issues. Known as the Oswaldo Aranha scheme, it classified all bonds in eight grades, the percentage of interest sinking fund payments varying according to grades. Payments were to be made as follows in the years ending March 31, 1935 to 1938:

Grade I—Full debt service.

Grade II—Full interest payments and sinking fund payments amounting to 5% of the initial issue.

Grade III—35% of the contractual interest in first two years, 40% in the third year, and 50% in the fourth year. No sinking fund payments were to be made.

Grade IV—27½% of contractual interest in the first two years, 30% in the third and 40% in the fourth. No sinking fund payments.

Grade V—22½% of contractual interest in the first year, 25% in the second year, 27½% in the third and 37½% in the fourth. No sinking fund payments.

Grade VI—20% of contractual interest in the first year, 22½% in the second, 25% in the third and 35% in the fourth. No sinking fund payments.

Grade VII—17½% of contractual interest in the first year, 20% in the second, 22½ in the third and 32½% in the fourth. No sinking fund payments.

Grade VIII—No interest or sinking fund payments.

Outstanding Brazilian dollar issues classified as to grade are as follows:

Brazil Dollar Bonds

	Issued	Due	Contract Int.	Grade
National:				
U. S. Brazil	1921	1941	8%	3
U. S. Brazil	1922	1952	7%	3
U. S. Brazil	1926	1957	6½%	3
U. S. Brazil	1927	1957	6½%	3
*U. S. Brazil (frac. certificates)	1931-4	1951	5%	.
U. S. Brazil (funding)	1931	1951	5%	1
State:				
Ceara	1922	1947	8%	8
Maranhao	1928	1958	7%	7
Minas Geraes	1928	1958	6½%	6
Minas Geraes	1929	1959	6½%	6
Parna	1928	1958	7%	7
Pernambuco	1927	1947	7%	7
Rio de Janeiro	1929	1959	6½%	7
Rio Grande do Sul.	1921	1946	8%	6
Rio Grande do Sul.	1926	1966	7%	6
Rio Grande do Sul.	1927	1967	7%	6
Rio Grande do Sul.	1928	1968	6%	6
Santa Catharina ..	1922	1947	8%	7
Sao Paulo	1921	1936	8%	6
Sao Paulo	1925	1950	8%	6
Sao Paulo	1926	1956	7%	6
Sao Paulo	1928	1968	6%	6
Sao Paulo	1930	1940	7%	2
Municipal:				
Porto Alegre	1921	1961	8%	7
Porto Alegre	1926	1966	7½%	7
Porto Alegre	1928	1968	7%	7
Rio de Janeiro	1921	1946	8%	7
Rio de Janeiro	1928	1953	6½%	7
Rio de Janeiro	1928	1933	6%	7
Sao Paulo	1919	1943	6%	7
Sao Paulo	1922	1952	8%	7
Sao Paulo	1927	1957	6½%	7

*When aggregating $100 or multiple thereof can be exchanged for 5% funding bonds.

It is expected that Brazil will offer at least a continuance of the debt service payments being made in the current year under the Aranha scheme and possibly slightly better terms, especially to the junior grades which are receiving only a small percentage of the original rate or none at all. Bondholders cannot hope for a substantial increase in payments either immediately or in the future. Brazil overborrowed in the past and since debt service must be paid largely out of export surplus there is little possibility of the original interest rates being restored. True, economic conditions are improving, but on a large portion of the debt no provision for retirement has been made in recent years. Higher interest rates at the expense of constructive steps for debt retirement would only mean difficulties in the future.

Candn. Converters Passes Dividend

Directors Decide to Conserve Resources of Company

From Our Own Correspondent

MONTREAL.—In view of the unsatisfactory earnings of the company, directors of Canadian Converters Co. Ltd. have deferred declaration of dividends for the time being in order to conserve resources.

During the past seven years, profits exceeding dividends paid only in the 12 months ended April 30, 1934. As a result working capital has been reduced steadily.

In the year ended April 30, 1937, the company earned only five cents a share on its common stock, compared with 19 cents a share in the previous fiscal year. In each of these years, however, dividends totalling $2 a share were paid. Working capital at April 30 last amounted to $580,728.

Investment Foundation Share Equity Declines

From Our Own Correspondent

MONTREAL.—Due to the drop in market value of stocks in recent months the liquidation value of the 6% cumulative convertible preferred stock of Investment Foundation Ltd. dropped from $65.75 a share as at March 31 last to $55.75 at June 30. The par value of the stock is $50 a share.

In the same period the liquidating value of the common stock dropped from $17.75 a share to $12.47 a share and of the units from approximately $83.50 to $68.22.

Improvement in the company's earnings continues, The Financial Post is informed, profits being ahead of the corresponding period of last year. In the year ended March 31, 1937, the company earned 21 cents a share on its common stock. This was the first time since 1930 that earnings had been shown on the common.

Loblaw Profit Higher in U.S.

American Concern Earns $6.54 a Share on Preferred

"Final figures on the past fiscal year of Loblaw Groceterias Inc., ended April 30 show considerable progress," states Canadian Grocer, Toronto.

The statement sent out under the name of J. R. Peachey, managing director, shows net trading profit after depreciation reserves at $302,002 compared with the previous year's total of $282,345, an increase of nearly 7%. Lease adjustments in the former Chicago division cost $43,461, thus reducing the net to $258,361 before providing reserves for federal income and undistributed profits taxes. Deducting $49,983 for taxes, the net profit was $208,376, equivalent to $6.54 per preferred share.

Mr. Peachey points out that since close of the fiscal year the property in Chicago has been definitely disposed of and the corporation's Chicago liability eliminated. This improves the financial position of the company and will be reflected in next year's statement.

The Canadian firm, Loblaw Groceterias Co., owns 2,841 preferred and 28,600 common shares in the American concern, Loblaw Groceterias Inc. The outstanding capital stock of the U.S. firm totals 31,851 preferred and 63,036 common shares. Recently the American company paid $8.50 a share on its preferred stock on account of arrears.

83 Stores in U.S.

At end of the fiscal year there were 83 stores in operation, 71 being in New York State and 12 in Pennsylvania. The total was two more than the year before, but several of the stores have been modernized and improved just as those of the Canadian company. There are now 42 stores equipped with meat markets and all except five of these are operated by the corporation. Mr. Peachey forecasts that the company will continue its moderate expansion programme of new stores and meat markets during the present fiscal year. The merchandise inventory at end of fiscal year was $849,055.

Canadian Grocer comments that "average sales per store of the United States company (based on 83 stores) are $109,520 whereas average of Canadian company is $170,000 with 112 stores.

"Average net profit per store after depreciation and provision for federal taxes of the United States company is $2,510 compared with nearly $10,000 for the Canadian concern.

"The former had net profits of 2.3% on sales and the latter 5.73%."

Cornwall-York Cotton Earns Depreciation

From Our Own Correspondent

MONTREAL.—Earnings of Cornwall & York Cotton Mills Co., which is controlled by Canadian Cottons Ltd., covered the usual depreciation and took care of necessary repairs and improvements in the 1936-37 fiscal year, but were not sufficient to enable the company to pay dividends, A. O. Dawson, president, told shareholders at the annual meeting held in Saint John.

The board of directors which was re-elected consists of A. O. Dawson, Montreal, president; F. P. Starr, Saint John, vice-president; H. F. Puddington and J. G. Harrison, Saint John; W. J. Morrice, W. V. Boyd and R. G. Tomlie, of Montreal.

United Fuel Pays $3 on Preferred

First Dividend Since 1931 Reflects Improvement in Earnings

A dividend of $3 a share has been declared on the 6% preferred stock of United Fuel Investments Ltd., payable Aug. 16 to shareholders of record July 16. Described as a payment on account of arrears, the dividend will leave such arrears at $33.75 a share. It is the first payment since 1931.

The dividend declaration reflects improvement in the company's earnings which will be shown slightly above $4.80 a share in the annual report for the year ended March 31, 1937, which will appear in a few days. In the preceding year earnings amounted to $2.37 a share on the preferred.

Negotiations are stated to be continuing toward reorganization of the company's capital structure.

The president of the company, S. A. Morse, commented last year that directors would submit to shareholders a plan which will "place the capital structure . . . on a sound basis and enable the resumption of regular dividend payments to the preferred shareholders commensurate with the company's earning power."

Mr. Morse also pointed out that the average annual net profits since inception of the present company had been $3.07 a share on the preferred.

C.N.R. Finances Car Purchases

Philadelphia Plan in Use in 2½% Equipment Certificates

The Canadian National Railway Co. has sold an issue of $14.3 millions of 2½% 10-year serial equipment trust certificates to a syndicate including the Bank of Montreal, Canadian Bank of Commerce, Dominion Securities Corp., Bell, Gouinlock & Co., A. E. Ames & Co., Mills, Spence & Co., McLeod, Young, Weir & Co., and L. G. Beaubien & Co.

The certificates, payable in Canada, are issued under the "Philadelphia Plan," by the National Trust Co., as trustee, and mature $1,430,000 each year. They are to be secured by new standard equipment having an aggregate cost price of $19,185,700 of which $4,885,700 is being paid for out of appropriations made by the Dominion Government.

Bank Purchases

The first seven maturities, that is $10,010,000 of maturities have been disposed of privately, public offering being made of only the 1945-46-47 maturities. The others, it is understood, were taken up by the banks.

The 1945 maturity is being offered at 96.47 to yield 3%; the 1946 maturity at 95.13 to yield 3.125% and the 1947 maturity at 94.67 to yield 3.125%.

Opinion differs as to whether the certificates are legal investments for Canadian insurance companies. It has been rumored that the Dominion Government would pass retroactive legislation to clear up this point but the underwriters have no such undertaking.

Dominion Securities Corp. and Bell, Gouinlock & Co. are acting as joint managers of the syndicate. The price paid for the certificates has not been disclosed.

Equipment trust certificates issued under the Philadelphia plan are issued by the trustee which retains title to the rolling stock until the certificates are paid off. In effect, the equipment is owned in trust for the security of certificate holders but used by the railway which pays for it on the installment plan.

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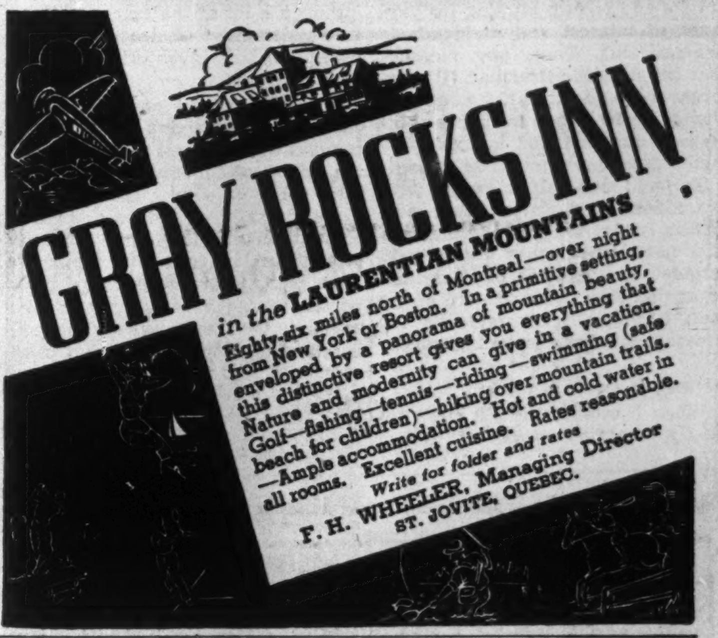

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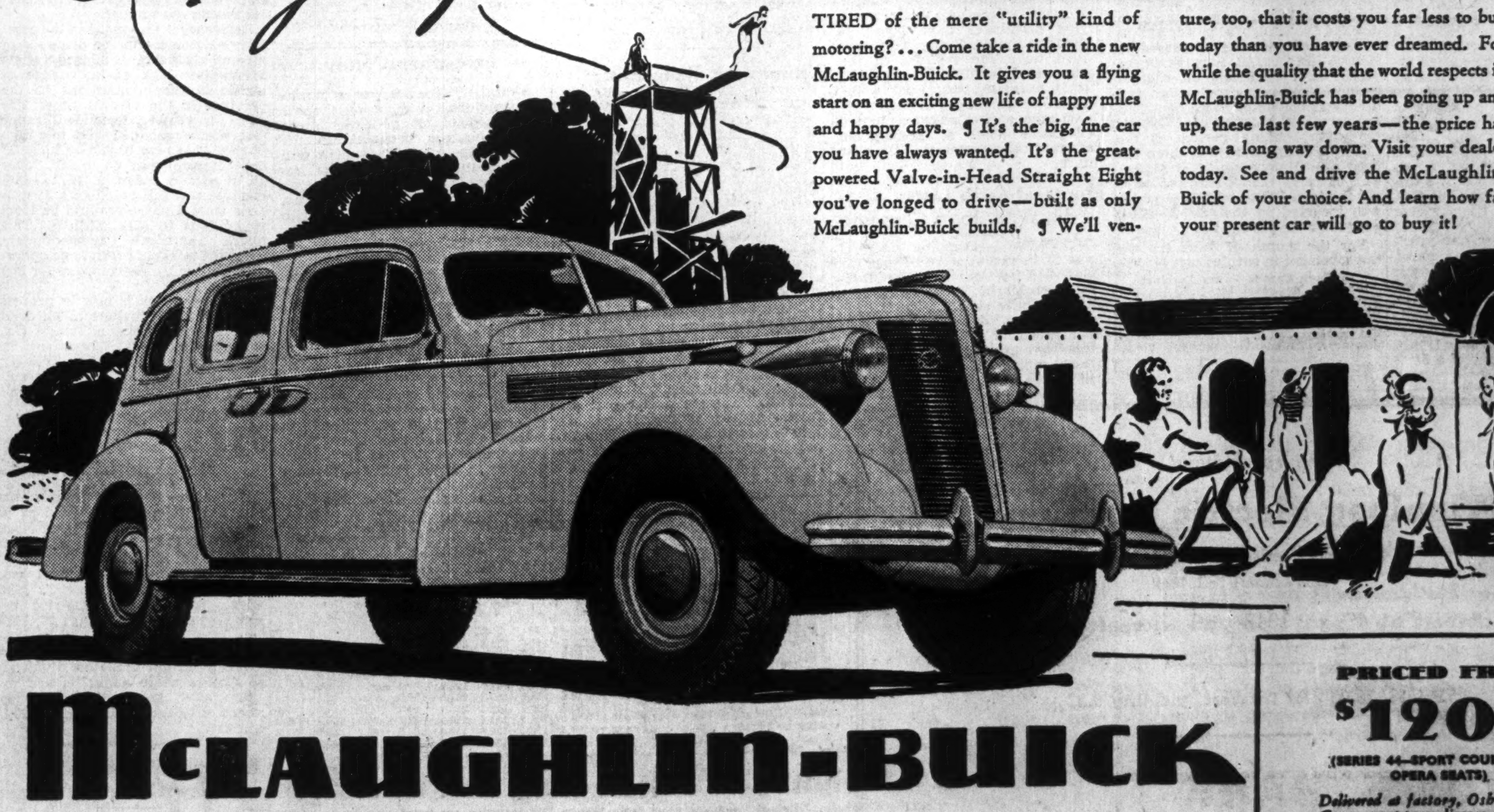

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Investment Trends

Seasonal Strength May Support Stocks

Greater Strength Required to Indicate Definite Upward Turn of Prices — Brazilian and Walker's Show Strength

In the belief that there is a seasonal tendency for share prices to strengthen in summer months, some stock market observers express the view that it is probable that the price trend will be definitely upward by September.

The present situation, however, is that averages for industrial shares have hesitated near their recent high points as follows: 109.7 for the Montreal Stock Exchange index; 166.9 for the Toronto Stock Exchange average and above 180 for Dow-Jones industrials in New York. If, in the course of the next month, sufficient strength were shown to carry averages substantially above those levels, it would be taken to indicate that another rise had started.

For the longer term trend, there is an interesting similarity in the trends of stock prices in the 1920's with those of the present decade. In 1926 and for part of 1927 there was considerable hesitation in the rising post-war stock market. The implication is that we are in a period of hesitation in which stocks will have ups and downs and which may turn into a pronounced rise in 1938 or 1939.

Narrow Range

Stock markets have fluctuated in a narrow range this month. One of the chief points of weakness in the current market situation is the sluggishness of railway shares in New York. Industrial shares have shown encouraging strength.

The immediate trend is expected by market analysts to be one of comparative softness. They anticipate some moderate decline followed by a rise. And if such a delayed advance develops, and breaks through the high points established recently, it would be taken as an indication that the price trend for later months of the year will be upward.

Pending some such clarification of the price trend for the months immediately ahead, it has not been established that the decline has reversed into advance. Investment commentators, however, are optimistic on the outcome of the current period of testing.

* * *

Boost For Brazil

Brazilian Traction shares and also the bonds of the United States of Brazil have strengthened on the announcement that the American treasury is making $60 millions in gold available to the South American republic for exchange stabilization.

There has been strict government control over foreign exchange in Brazil. While exports have grown in volume and in value, they have not been sufficient to provide enough dollars and pounds sterling for payment of interest and dividends to non-residents. Thus, any measure that provides the Brazilian Government with additional foreign exchange forms a basis for hopes of increased dividend and interest payments from investments in Brazil.

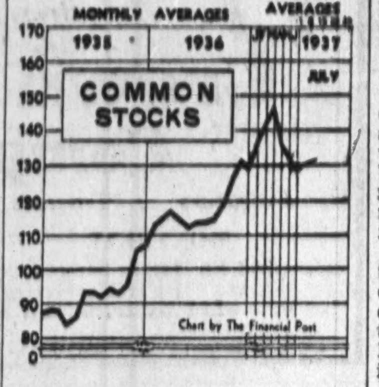
The gold loan will be hedged with restrictions. But an eventual possibility is that the U.S. Government will have lent money to be paid largely to holders of Brazilian securities. Any interpretation of the loan, however, is favorable for the investor who has a stake in Brazil.

* * *

Strength in Walker's

When it crossed the $50 mark recently common stock of Hiram Walker-Gooderham & Worts Ltd. reached the highest point since 1934 when its peak was $57¾. At 50 the yield from the $2 dividend rate is 4%, rather low for liquor shares, but the hope remains that some sort of bonus will be paid sooner or later from the earnings that are running over $8 a share. The excess of earnings over the current dividend rate should increase working capital by more than $4¼ millions this year although a lot of the money will go into redemption of debentures and expansion of inventories in the United States.

Then there is the conversion feature on the remaining 4¼% debentures. It will now cost $55 a share for the holder of debentures to convert into common stock. Hitherto the shares have advanced so as to encourage conversions. As reported several weeks ago in The Financial Post well informed persons connected with the company are favorable to the shares, but we also understand that some investment trust opinion is not so favorable because of the fear that the liquor business will be overexpanded in the United States.



SLIGHT GAIN

Dominion Bureau index of prices for common shares rose to 131.9 for the week ended July 15 compared with 131.4 in the preceding week. Comparative figures are tabulated on this page.

Dom. Woollens Costly Venture Says Manager

Henry Barrett Outlines Investment History Since 1928

Unfavorable history of Dominion Woollens & Worsteds Ltd. from the point of view of investors is recounted by Henry Barrett, managing director, in explanation of the company's accounts in connection with the strike of employees at Peterborough, Ont.

"The present company was formed in 1928," Mr. Barrett states. "Its assets were appraised at that time by competent persons, and the necessary capital obtained. This venture was disastrous to bondholders and shareholders."

The ill-fated financing to which Mr. Barrett refers was the offering of $2¼ millions of 6% bonds nine years ago by W. A. Mackenzie & Co. There was an issue of $1.5 million of 6% preferred stock to former holders of shares of Canadian Woollens Ltd., Peterborough. The appraisals were made by Canadian Appraisal Co. Ltd. in 1928.

Sacrifice of Investors

Mr. Barrett's comments on the company's operations and results arise from statements which he attributes to Hon. G. N. Gordon, Peterborough, former federal cabinet minister. Emphasizing sacrifices made by investors, Mr. Barrett states in part:

"Through cancellations of cumulative dividends, reduction in value of common shares, cutting the bond debt in half, and replacing cumulative preferred stock with non-cumulative stock, the company was put in a position to continue operations.

Security Holders' Sufferings

"Bondholders and shareholders suffered during the depression years as they received no interest or dividends on their holdings, while employees had continuous work at wages as high as, or in excess of, wages paid by our competitors. In recent months wages have been increased in some departments where we could afford to do so. Other departments where advances have not been made are paid at rates which rank among the highest in Canada today.

"Mr. Gordon says the company had a better year in 1936 than in 1935. This is true. In 1936 the company earned $3,660 to apply on its bond interest, but nothing for the shareholders.

"Mr. Gordon says the company has a depreciation reserve of $1,500,000. He omits to point out that this reserve was not obtained from earnings but from the bondholders and shareholders.

C.I.L. Income To Show Gain

New Plants Being Built to Take Care of Increased Sales

From Our Own Correspondent

MONTREAL. — Preliminary indications are that earnings of Canadian Industries Ltd. for the first half of 1937 will show a favorable increase over the corresponding period of 1936.

Greater activity in the manufacturing industries, as well as in primary industries, such as mining, pulp and paper and, to a lesser degree, in agriculture, has created an increased demand for the diversified products of C. I. L. As a result a higher sales level has been reached which, in spite of lower selling prices for some of the company's products and increased cost of raw materials, has resulted in better earnings.

In keeping with the general improvement, the company recently announced commencement on the construction of a new caustic soda and chlorine plant at Shawinigan Falls and a replacement and modernization programme at its Windsor Salt plant, where new grainer and drying machinery have been installed for the production of a controlled flake salt for use in the butter and cheese industries.

It is intimated that due to the rapidly expanding market for Cellophane a new addition to the Cellophane plant at Shawinigan Falls may be undertaken in the near future.

Montreal Curb Lists Lake St. John Common

MONTREAL.—Common stock of Lake St. John Power and Paper Co. was called for trading on the Montreal Curb Market on Monday, July 19. The ticker abbreviation is LPP.

The listing covers 96,756¼ common shares of no par value with authority to add an additional 3,243¾ shares upon receipt of official notice of issuance.

DIRECTOR

Col. the Hon. J. L. Ralston, K.C., former minister of national defense, was elected a director of Dominion Textile Co. Ltd. at the company's recent annual meeting.

Gain Reported By Shawinigan

Advance of Over $550,000 Shown for Six Months

From Our Own Correspondent

MONTREAL.—Further gain in earnings of Shawinigan Water and Power Co. is shown in the returns for the first half of the year. During that period the company had a gross revenue of nearly $7.4 millions, an increase of about $740,000 over the comparable period last year.

The gain in revenue was expected, in view of the industrial activity in the area served. The newsprint companies in the St. Maurice area and along the St. Lawrence have been increasing operations, with a resultant sharp gain in power demand. Other industrial power loads, as well as mining operations in the eastern townships and commercial and domestic demands, have been on a greater scale.

Show Larger Surplus

The increase in operations is reflected in part in the general, operating and maintenance expenses, which amount to $1.6 million for the first half of 1937. Taxes and insurance also advanced, but power purchased and water rentals remain much the same.

Net profit available for dividends, before depreciation and income taxes, amounted to $2.2 millions, as against $1.6 million a year ago. The increase, amounting to $555,000, is equivalent to about 26 cents a share on the outstanding capital stock.

Revenue and Expenses
Six Months Ended June 30

	1937 $	1936 $
Gross revenue	7,397,401	6,656,460
Expenses:		
General, operating & maintenance exps.	1,628,370	1,462,015
Power purchased ..	876,560	876,970
Water rentals	217,061	203,702
Taxes and insurance	464,705	407,610
Res. for exchange.	12,000	50,000
Net operating revenue	4,198,705	3,668,192
Fixed charges	1,916,175	1,958,397
Amortization of bond premium, discount and expense	79,569	62,164
Surplus before deprec. and income taxes .	2,202,961	1,647,631

Melchers Distilleries Sales Show Increase

From Our Own Correspondent

MONTREAL. — Melchers Distilleries Ltd. reports substantial improvement in its domestic business during the first six months of the current year, with increases in some lines ranging from 12 to 15%.

In view of the increase during the first six months indications are that the company will report improvement in its profits in 1937, especially if the upward trend in sales continues. Sales volume of the company is usually heaviest in the last four months of the year. Another favorable factor should be the sale made earlier in the year of the company's stock of American type whiskies at a satisfactory price.

Zimmerknit Redeeming Securities on Aug. 3

Notice has been given that the 7% preference stock and both 6% bond issues of Zimmerknit Co. have been called for redemption on Aug. 3, 1937. All of these securities will be redeemed at 100. The preference shares have been removed from trading on the Toronto Stock Exchange as from July 15, 1937.

This move is part of the plan whereby the operations of Zimmerknit Co. and York Knitting Mills Ltd. are being consolidated. Funds for the redemption have been provided through the sale of $1 million first mortgage bonds of York Knitting Mills.

Officers and directors of York Knitting Mills are as follows: Sir James Woods, president; J. D. Woods, vice-president; W. A. Clarke, secretary; H. M. Ready, H. H. Lawson, W. B. Woods, Toronto; K. W. Harvey, Woodstock.

Quebec Power Floating Bonds

Income Returns for Half Year Show Advance

From Our Own Correspondent

MONTREAL.—Quebec Power Co. will be in the market with its refunding bond issue before the end of the month. The company will bring out a series C first mortgage and collateral trust bond issue, not to exceed $13.5 millions, to replace the series A and B bonds, which will be called for redemption at 103½.

The public offering will be made by a syndicate headed by Aldred and Co.

The company's interim statement for the second quarter of 1937 and for the half year to date shows a moderate improvement in earnings as compared with the corresponding periods of last year.

For the second quarter ended June 30 gross earnings were $953,749, compared with $895,556 for the same period last year. After providing for all expenses, the surplus available for depreciation and income tax totalled $228,963, as against $214,142 last year.

Moderate Gain

For the first half of the current year gross revenues totalled $1.9 million, compared with $1.8 million in the first half of 1936. There was a small gain in operating expenses, but surplus available for depreciation and income tax amounted to $483,887. This compares with $479,250 for the first half of 1936. However, it is noted in the returns that a reserve of $24,524 has been set up for amortization of bond premium, discount and expense. This charge was not incorporated in the returns for last year.

Comparative figures on returns for the second quarter and for the six months follow:

Quarter Ended June 30

	1937 $	1936 $
Gross revenue	953,749	895,556
Oper. expenses	550,156	528,315
Net revenue	403,593	367,241
Fixed charges	139,870	152,133
Exchange	1,236	966
Finance expenses	24,524	......
Surplus*	228,963	214,142

*Before depreciation and income tax.

Six Months Ended June 30

	1937 $	1936 $
Gross revenue	1,936,429	1,846,435
Oper. expenses	1,124,121	1,060,155
Exchange	1,630	2,763
Net revenue	812,678	783,518
Fixed charges	304,265	304,265
Finance expenses	24,524	......
Surplus*	483,887	479,250

*Before depreciation and income tax.

Dryden Paper Profits Higher

Returns for Third Quarter Exceed Previous Six Months

From Our Own Correspondent

MONTREAL.—Earnings of Dryden Paper Co. for the third quarter ended June 30 were on a larger scale than for the preceding six months.

Reflecting combination of increased sales and higher prices, net earnings for the period, after bond interest, were approximately $72,000. This compares with net earnings for the preceding half year of $68,996.

Assuming continuity of the present rate of earnings for the balance of the year, there is indicated a net after bond interest, of about $215,000, which would compare with $43,597 for the fiscal year ended Sept. 30, 1936. At present net earnings are running at the rate of about $27,000 a month and it is possible that the returns for the full year will exceed the estimated figure.

Announcement is also made by the company that work is proceeding on the construction of an additional hydro-electric plant, involving an estimated expenditure in excess of $100,000. The additional unit, which will be of some 200,000 h.p., is required to take care of expanding power needs at Dryden.

Power Corp. of Canada is supervising construction of the new plant.

Investment Notes

Abitibi.—There has been some investment trust buying of the 5% bonds around 100 on expectations that conversion proposals in the bondholders' committee's plan will improve the price. Also, the improvement in the company's outlook leads to hopes for realization eventually of the full value with interest amounting to about $131 per $100 of bonds.

* * *

Noranda. — Chicago Corporation, American investment trust, cut its holdings in half in the six months ended June 30, selling 5,000 shares and retaining 5,000.

* * *

Walker-G. & W. — H. C. Hatch, chairman of the board, increased his holdings by 610 common shares in May. At the end of that month, he reports to the U. S. Securities Commission, his holdings were 20,198 shares, and he also had an indirect interest in 22,780 shares through a holding company.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Mach. and equip. 8	Pulp and paper 6	Milling 4	Oils 4	Textiles and clothing 10	Food and allied prod. 13	Beverages 7	Bldg. mater. 14	Power and traction 15	Banks 9	Total utilities 19	Total co's. 96
1929-36:*												
High	432.5	113.4	273.4	423.5	113.5	197.8	205.4	281.1	197.6	131.7	166.0	198.3
Low	39.2	3.0	37.7	87.7	30.8	78.8	33.8	44.3	47.1	63.1	36.9	43.3
1937:												
Jan.	158.3	37.2	119.6	229.6	77.3	184.2	141.0	197.0	91.1	94.4	68.5	137.4
Feb.	163.4	36.7	120.7	235.2	78.5	188.2	139.3	203.5	97.5	96.7	73.1	142.4
Mar.	168.3	40.2	127.0	247.7	80.2	190.0	141.8	213.4	94.7	95.9	71.0	147.2
Apr.	157.5	47.1	117.4	230.4	79.9	182.4	133.4	204.8	85.1	94.0	64.1	136.2
May	151.3	38.5	109.4	229.6	77.5	178.5	128.4	188.4	84.0	92.7	63.0	132.2
June	146.1	38.2	103.7	220.2	77.7	177.7	131.0	179.6	84.1	92.3	63.2	129.4
Weekly Figures, 1937:												
July 1 ..	143.4	35.9	102.5	216.6	77.3	176.4	128.3	179.3	83.4	90.9	62.5	127.7
July 8 ..	148.0	41.3	104.5	221.2	78.3	179.8	132.6	188.1	85.6	90.6	63.3	131.4
July 15 .	146.4	40.4	103.4	221.6	79.3	181.9	135.9	190.1	86.3	90.6	63.1	131.9

*High and low for years from 1929 to 1936 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
July 20	166.31	123.19	167.12
July 19	165.65	122.85	163.45
July 17	164.73	121.16	161.49
July 16	164.06	121.42	161.71
July 15	164.28	122.24	162.24
July 14	164.98	123.41	162.64
Month ago ..	161.49	117.98	151.69
Year ago	134.46	145.17	139.15
High, 1937 ..	187.67	166.59	215.36
Low, 1937 ..	157.65	107.83	141.97

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
July 20	80.6	108.0	98.9
July 19	79.6	107.8	98.4
July 17	79.3	107.4	98.0
July 16	79.2	105.9	97.7
July 15	79.0	107.0	97.6
July 14	79.6	107.7	98.3
Month ago ..	77.0	103.1	94.4
Year ago	69.0	75.7	73.5
High, 1937 ..	92.5	122.2	109.5
Low, 1937 ..	74.8	100.3	92.3

Winnipeg Electric Company

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Donnacona Profits Up

Newsprint Sales in First Six Months Show 49% Increase

From Our Own Correspondent

MONTREAL.—Operations of Donnacona Paper Co. showed improvement during the first six months of 1937 and earnings available for interest and depreciation are stated to be running around $50,000 a month as compared with $35,000 a month earlier in the year.

Sales of newsprint during the first six months of the year totalled 33,000 tons, an increase of 49% over the same period of 1936. Revenue from newsprint sales totalled $1,100,000, compared with $693,000 in the first six months of 1936.

Sulphite pulp sales for the period totalled 6,700 tons, compared with 1,600 tons in the 1936 period. Income from such tonnage was more than $225,000, or more than five times greater than in the first half of last year.

Net earnings for the half year are reported to be equivalent to earnings in the entire 12 months of 1936, or $285,000. After providing for bond, note and bank interest and other charges there was a balance of approximately $100,000 to apply against depreciation and depletion.

Dom. Textile Pays a Bonus

Wage Level at New Peak — Issue Statement on Unionization

From Our Own Correspondent

MONTREAL. — Dominion Textile Co. announces that it has paid to its employees a 3% bonus, figured on the total wages earned by each employee, who worked steadily over the 12-week period from April 5 to June 26, 1937.

In December, 1936, wages of the company were returned to their peak level of 1929. In April of this year an additional bonus was paid on aggregate earnings to all employees who worked steadily for the three months ended April 5.

The announcement of the bonus is made in connection with a statement by the firm in regard to request of the National Catholic Federation of Textile Workers for a collective labor agreement.

Represent Minority

The company says that the employees are perfectly free to govern themselves as they please, but points out that while the union has claimed the right to represent the employees, only a very small number of the latter belong to the union. At a recent rally approximately 250 to 300 employees attended out of an approximate payroll of 1,000 workers. At a further meeting held for the St. Henri and Cote St. Paul employees, the proportion of attendance was even smaller.

Reference is also made in the company's statement to the demands of the union which, it is alleged, reflect a complete lack of knowledge of textile business conditions in the province at the present time. The wage increases demanded range from a minimum of 14.58% to a high of 120%. "As near os can be judged," the statement goes on to say, "over all it would mean a 40 to 45% increase and this based on a $5 millions annual payroll would be from $2 millions to $2¼ millions. This figure represents approximately twice the total net profit from operations earned by the company for last year."

The Federation is now in process of taking strike ballots in all divisions of the Dominion Textile Co., votes having already been cast in the Hochelaga, St. Henri, Cote St. Paul and Magog mills, with result of the balloting withheld until all plants are heard from.

Dominion Scottish Pays Dividend of 50 Cents

Dominion Scottish Investments Ltd. has declared a dividend of 50 cents a share on the preferred stock payable Sept. 1 to shareholders of record Aug. 20.

The last previous payment was $1.75 a share paid June 1, 1937, which brought payments for the company's year ended May 31, 1937, to a total of $2.50 a share.

The preference shares of $50 each are entitled to cumulative dividends to $2.50 a share annually, and arrears after payment of the last year's dividends remained at $5.25 a share.

Mersey Paper Appoints New General Manager

From Our Own Correspondent

MONTREAL.—B. J. Waters has been appointed general manager of the Mersey Paper Co., Liverpool, N.S. He was formerly assistant manager.

The purpose of the appointment is to lighten the duties of Col. C. H. L. Jones, president and managing director, who recently assumed the position of president of Price Brothers & Co.

Walker G. & W. Earnings Rise

Bear Out Forecast of Year's Net Over $8 a Share

Hiram Walker - Gooderham & Worts Ltd. reports net profits equivalent to $2.10 per share on 724,004 common shares in the three months ended May 31, compared with $1.86 a share on 660,000 shares in the corresponding quarter of 1936. For the nine months ended May 31, the earnings amounted to $6.69 a share compared with $5.02 in the corresponding period last year.

Interest on the 4¼% debentures and dividends on preferred shares have been earned by very wide margins. The increase in common shares is due to conversion of debentures.

The nine months' figures bear out the forecast of an official to The Financial Post that earnings for the full year ended Aug. 31, 1937, will exceed $8 a share.

A note to the official figures points out that no provision has been made for U. S. taxation on undistributed surpluses of American subsidiary companies.

The tax on undistributed surplus may be assessable on the earnings of the U. S. companies, which might therefore be "distributed" into the treasury of the parent Canadian company. The note therefore comments that the taxes may never be incurred.

Comparative figures follow:

Quarterly Earnings
Three Months Ended May 31

	1937 $	1936 $
Operating profit	2,214,976	1,790,834
Add: Other income ..	46,186	69,758
Total income	2,261,162	1,860,592
Less: Depreciation ...	161,443	150,692
Debenture charges..	62,479	92,500
Bank interest	23,126	......
Income taxes	373,430	278,071
Net profit	1,640,684	1,339,129
Less: Pref. dividends .	115,205	115,205
Bal. for common	1,525,479	1,223,924

Nine Months' Earnings
Nine Months Ended May 31

	1937 $	1936 $
Operating profit	6,886,831	4,792,991
Add: Other income ..	241,321	249,796
Total income	7,128,152	5,042,787
Less: Depreciation ..	483,606	446,804
Bank interest	59,567	85,155
Debenture charges .	306,659	155,722
Income taxes	1,091,088	693,230
Net profit	5,187,232	3,661,876
Less: Pref. dividends .	345,614	345,614
Available for common	4,841,618	3,316,262

Note:—No provision has been made for surtax on undistributed profits imposed by the U. S. Revenue Act of 1936.

When or if dividends are paid to the parent company out of the accumulated surpluses of subsidiaries in the United States, such dividends will be subject to the income tax laws in force at the time of distribution. On the basis of the income tax rates now in force the taxes on the distribution of the net earnings for the nine months ended May 31, 1937, would be approximately $293,000 for which no provision has been made because these taxes may never be incurred.

Investors Adopt Langley's Plan

Would Eliminate Arrears of Preferred Stock Dividends

Holders of preferred and common shares of Langley's Ltd. at meetings on July 19 approved the reorganization plan recently brought forward by the company. There was one dissenting vote. The plan having received more than the 75% required approval of shareholders now goes before the courts for final approval.

The plan would recapitalize the company eliminating the arrears of dividends of $21 a share on the 5,657 shares of 7% preferred stock. In exchange for each preferred share holders would receive two $50 shares of 5% first preferred, one share of second preferred and one common share. The first preferred dividends would be cumulative from July 15, 1937. The second preferred shares of no par value, callable at $20, would carry an annual dividend of $1 a share, cumulative from Oct. 15, 1939.

The present 20,793 common shares would not be disturbed except for the additional issue of 5,657 shares to preferred stockholders.

Aluminium Ltd. Loses Fight in U. S. Court

From Our Own Correspondent

MONTREAL. — Aluminium Ltd. has lost the first round of its fight to divorce itself from the anti-trust proceedings brought by the United States Government against the Aluminum Co. of America and its affiliates.

In a decision handed down by Federal Judge V. L. Leibell in New York the company has been denied its petition. Judge Leibell ruled that the Canadian company is "present in the city of New York" for the purpose of transacting business and is therefore amenable to the Government's proceedings brought under the Clayton anti-trust law.

In hearings on its petition the company had claimed that it was not engaged in business within the United States. The Government, on the other hand, claimed that the Canadian company is virtually an arm of the parent company.

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Ontario Steel To Pay $19.50

Ontario Steel Products Ltd., Gananoque, Ont., is paying all arrears of preferred stock dividends in cash. A total payment of $19.50 a share has been declared, payable Aug. 14, 1937, to shareholders of record July 31. The payment reflects improved earnings in the year ended June 30, 1937.

With substantially improved earnings, the company last year resumed regular quarterly payments of $1.75 a share, and in the last nine months has paid $9.25 a share off arrears. A year ago the arrears totalled $27 a share on the preferred, and subsequent payments have reduced arrears to $17.75 a share. The dividend payable Aug. 14 includes these arrears and the regular quarterly of $1.75 a share.

In the year ended June 30, 1936, the company had net profits of $59,800, equivalent to $16.60 a share on the 3,603 preferred shares. The distribution of $19.50 a share next Aug. 14 will require a sum slightly over $70,000.

Making allowance for one year's preferred dividends of $7 a share, the balance of last year's profits was equivalent to 67 cents a share on the outstanding 51,588 common shares.

Formerly the company had $129,800 of 6% bonds outstanding. These were redeemed at 110 on July 1, 1936, and refinanced by means of a 5¼% mortgage for $125,000.

Southern Canada Earnings Higher

From Our Own Correspondent

MONTREAL.—Continued improvement in business conditions in the area served by Southern Canada Power Co. may make possible full common dividend of 80 cents a share in the current fiscal year which ends on Sept. 30 next. In the year ended Sept. 30, 1936, it earned 68 cents a share on its common stock, paid 80 cents in dividends.

During the first nine months of the current fiscal year, company reported marked improvement in demand for industrial power and as a result gross earnings increased by $110,685 to $1,721,828. Surplus for the period after deducting all charges including interest, depreciation and dividends amounted to $26,091. This compares with a deficit of $25,909 for the corresponding period of the 1935-36 fiscal year so that there has been a net improvement of $52,000. This is more than enough to wipe out the total deficit of $47,850 which was incurred in the 1935-36 fiscal year after the payment of dividends.

For the month of June the net improvement in surplus was $16,509.

Southern Canada Power Earnings
Nine mos. end. June 30:

Gross revenue	1,721,828	1,611,143
Oper. expenses	712,083	662,448
Net earnings	1,009,745	948,695
Int., deprec., divds. ..	983,654	974,604
Surplus	26,091	*25,909

*Deficit.

We recommend

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Bond Markets

Beauharnois 5% Bonds Speculation Feature

Abitibi 5's Another Hope of Bond Men — Sale of Short-term Ontario Bonds Significant for Investors

Advance of Beauharnois 5% bonds well above 60 is based on unconfirmed reports that sooner or later the company will receive an offer from the Ontario Hydro for a new power contract.

One large investment firm that has been offering the bonds for semi-speculative purposes, with full recognition that there is at present no revenue with which to pay interest which comes due next year, bases its speculative recommendation on the belief that if the Ontario Hydro does not buy Beauharnois power a market will be found for it, probably in the United States.

Around 100, Abitibi 5% bonds have become inactive but nevertheless remain of keen interest to bond dealers who hope for a move upward due to the reorganization proposals of the bondholders' committee.

Apart from the fact that the price has not been divulged, the most striking feature of the C.N.R. sale of $14.3 millions of 2½% 10-year serial equipment notes is that they do not carry a Dominion guarantee.

Railway equipment certificates are regarded as one of the safest of all forms of corporation bonds, the reason for this being that rolling stock is the security and is always saleable and anyway the debtor road cannot operate without it.

There should be more than passing interest for the investor in the Ontario government's sale to a syndicate headed by Wood Gundy & Co. of $10 millions of 3-year 2% bonds and $10 millions of 7-year 2½'s. The shortness of the term of the bonds makes them attractive to banks who took up most of the loans. But this shortness of term also indicates the increased demand for short-dated bonds because of the possibility that interest rates will rise, and bond prices fall, over a period of five or 10 years. Many investment houses have been urging clients to capitalize their profit on long-term government bonds by switching into shorter-term issues bearing low interest rates.

Firm but quiet aptly describes the bond market these days, prices of high-grade Government issues remaining firm despite a light volume of trading.

It is understood that the Province of Nova Scotia will call for tenders on a $5 millions issue in the near future.

Cost of treasury bill financing to the Dominion Government reached a new low on July 15 when an issue of $25 millions of three-month treasury bills was sold at an average price of 99.84102, which represents an average cost to the Government of 0.632%. This is the lowest cost recorded to date, the previous issue having been sold at an average cost of 0.634%.

Reflecting uncertainty as regards the outlook for Western Canada, issues of the three Prairie Provinces have recorded losses recently. Sharp recessions have been taking place in the Saskatchewan list.

Interest Rates

Six months of 1937 have passed and the decline in bond prices and the rise in interest rates which were predicted have not developed. Furthermore, indications are that there is little possibility of it developing in the second half of the year unless some unseen disturbance such as war occurs.

As pointed out previously by The Financial Post, the decline in bond prices during the early months of the year was largely psychological and due to temporary disturbances such as the depressing effect of the re-armament loan in Great Britain and the change of reserve requirements for federal reserve banks in the United States.

Now, as then, basic factors point to a continuance of low interest rates, although almost everyone will admit that eventually interest rates should turn upward with the rising tide of prosperity. At the moment, however, the volume of funds seeking investment is still very great and the amount of new financing undertaken in Canada during the first half of the year was small indeed. It is true that commercial loans of the banks have been increasing, but the rate of increase has not been such as to affect the money market to any extent.

For proof that there is still a very large surplus of funds one only has to look at the cost of treasury bill financing by the Dominion Government. On July 15 the Government sold an additional $25 millions of bills at a new low cost.

* * *

Foreign Bonds

Some months ago informal discussions were held by some of the institutional investors that are members of the Dominion Mortgage and Investments Association in regard to a proposal that a Foreign Bondholders Protective Committee should be formed for Canadian holders of defaulted Latin American bonds, but no action was taken.

There are millions of dollars of Latin American bonds held in Canada and holders number in the thousands. Yet there is no protective organization to represent them or protect their interests when readjustment plans are sponsored for the defaulted countries.

One of the reasons given in the past for no such organization in Canada has been the expense involved. This, however, need not be an obstacle as the organization could be simple, especially if it worked through or in co-operation with the Foreign Bondholders' Protective Council Inc., New York, which is the leading organization in the United States. Deposit of bonds, which is usually one of the expensive services in connection with a protective committee, would not, as the U. S. organization has found, be necessary.

* * *

Price Trends

Firm price trend in the gilt-edged bond market is indicated below:

Average Price and Yield for Seven High-Grade Government Bonds

1937	Yield %	Price $	1936	Yield %	Price $
July 20	3.277	113.76	July 20	3.095	116.66
July 19	3.277	113.76	July 18	3.093	116.65
July 17	3.277	113.76	July 17	3.094	116.66
July 16	3.286	113.69	July 16	3.094	116.66
July 15	3.286	113.69	July 15	3.081	116.76
July 14	3.287	113.70	July 14	3.084	116.74
July 13	3.287	113.70	July 13	3.084	116.74
Year's	3.206	116.81	Year's	2.966	117.91
Range	3.505	111.60	Range	3.597	111.50

Eastern Car Co. to Buy Bonds for Sinking Fund

From Our Own Correspondent

MONTREAL.—The Eastern Car Co., subsidiary of Nova Scotia Steel & Coal Co., has placed $39,490 in the hands of the Eastern Trust Co., trustee for its 6% first mortgage bonds, for the purpose of buying in bonds for sinking fund purposes.

Tenders must state the par value of bonds offered and the price delivered at Halifax, and must reach the office of the Eastern Trust Co., Halifax, not later than noon July 26.

Jones Plan Confirmed

Supplementary letters patent have been issued at Ottawa confirming the reorganization plan for Jones Bros. of Canada Ltd. adopted by security holders on Feb. 2, 1937.

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Kingston Boasts 1936 Surplus

City Continues to Report Strong Financial Position

The City of Kingston, Ont., reports a surplus of $1,609 in current revenue over current expenditure for the year ended Dec. 31, 1936. Gross debenture debt has been reduced by $155,876 to $3.4 millions. Net debenture debt, after deducting sinking fund, also shows a reduction of $117,018 during 1936. Details of the financial statement follow.

Population: Present, 24,372; five years ago, 23,725. Area, 2,965 acres.

Income and Assessment Year Ended Dec. 31, 1936

Revenue	$1,006,113
Expenditure	1,004,504
Assessed value for taxation	18,892,160
Exemptions, not included above	8,559,675

Tax rate, 1936: General, 22.55; debenture, 15.33; school, 9.12; total 47 mills. Total tax arrears, $222,662; last year's levy, $927,710; uncollected, $121,909.

Assets and Liabilities

Value of assets, excluding city owned property	$3,943,749
Total debenture debt	3,357,267
Total sinking fund	1,290,986
Bank loans	78,649
Other liabilities	299,704

Debenture Debt

	Debent. outstanding $	Sink. fd. on hand $
Public utilities	392,000	80,748
Local improvements:		
Ratepayers' share	460,270	267,524
Municipality's share	500,615	290,982
General	1,325,899	498,423
School	747,983	153,309
Total	3,357,267	1,290,986

Municipal Utilities

	*Net earnings $	†Net profits $
Waterworks	18,710	10,514
Electric light & power	88,016	19,826
Gas	29,810	3,322

*After deducting operating expenses only. †After deducting operating expenses, interest and sinking fund charges.

Regent Knit Profits Rise

Reports Best January-June Period in Its History

From Our Own Correspondent

MONTREAL.—Profits of Regent Knitting Co. in the first six months of 1937, after providing for depreciation, doubtful accounts, etc., were higher than in any corresponding period in the company's history, according to announcement made by C. G. de Tonnancour, president. During the period net sales of the company increased 12.2% over the first half of 1936.

Contributing factors to the improvement were increased sales volume of sundry knitted lines, hand knitting yarns and higher prices. Formerly the bulk of the company's profits was made in the autumn and winter months, but as a result of introduction of spring lines a better balance in operations has been brought about.

Working Capital Increases

In pursuing its policy of keeping its plants at a high state of efficiency it is pointed out that the company spent substantial sums for new equipment during the first half of the year. Despite these capital expenditures, however, working capital showed an increase of approximately 38% over a year ago. Working capital at the end of 1936 amounted to $738,889. Indications are that profits will be higher than in 1936, when 80 cents a share was earned on the common stock.

Municipal Finances

St. Johns, Que.—The city council has increased the property tax rate by 25 cents per $100. This makes the present rate $1.50 per $100.

* * *

Lachine, Que.—A public works programme to cost $512,000 is to be started in January. This will be paid for as follows: Province of Quebec, $331,000; Federal Government, $31,000; city's share, $150,000.

* * *

Port Hope, Ont.—The town's 1937 tax rate has been set at 47 mills, a reduction of two mills from the 1936 levy. The 1937 levy is divided as follows: debentures, 6.67 mills; schools, 15.08 mills; relief, 1.65 mills, county and general, 24.60 mills.

* * *

Winnipeg. — Tax collections for the City of Winnipeg to the end of June showed $4,011,901 collected out of the 1937 levy of $9,004,671. This compares with collections of $4,127,889 out of a levy of $9,235,671 in the corresponding period of 1936. This is a reduction of $125,989 but the 1937 figures include $490,761 in business taxes which were paid two months earlier this year.

The public utilities committee of the city council has recommended a debenture issue of $1 million to cover the cost of installing the third and fourth power generating units in the city's Slave Falls hydro-electric power plant.

* * *

Ottawa.—Tax collections to July 1, 1937, have increased $152,844 over the same period last year for Ottawa. Collections of current taxes increased $108,323 while collections of arrears were up $28,438. A gain of $16,084 was reported in water taxes collected.

* * *

Amherst, N.S., reports an improvement in tax collections in the period from Jan. 1 to July 15 amounting to $58,400. This compares with $51,800 in the corresponding period of 1936.

* * *

Westmount, Que., contributed $486,932 of the 1936-37 sales and income tax collection in the Montreal Metropolitan area, but under the per capita distribution scheme the city received only $140,164 as its share of these taxes. After deducting administration and other expenses the net amount received by Westmount was $131,082.

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Can Steamships	5%	1943	Aug. 15	105
Can. Cons Rub.	6%	1946	Oct. 1	110
Dom. Tel. Sec.	▲5½%	1978	Aug. 2	100
Steel of Can.*	6%	1940	Aug. 1	...
B. Amer. Oil†	4%	1945	Sept. 1	102
Zimmerknit	6%	1951	Aug. 3	100
Do., 2nd mtge.	6%	1961	Aug. 3	100
Eastern Car	‡6%	1952	Aug. 6	...
Religious Issues:				
Hotel Dieu St.-Valier, Chicoutimi	5%	1937	Oct. 1	...

*Tenders called for $427,587 for sinking fund purposes. ‡$39,490.
†For sinking fund purposes, $207,000.
▲$3,400.

Alberta Asks Registration

Bondholders Asked to Register Holdings by Aug. 16

Registration by the holders of the $140 millions of outstanding bonds of the Province of Alberta by Aug. 16 is being requested by the Alberta Government in order to facilitate the establishment of Social Credit in Alberta.

Announcement of the proposed registration was made by Premier William Aberhart following a meeting of the cabinet with the Social Credit Planning Board and G. F. Powell and L. D. Byrne, representatives of Major C. H. Douglas, the founder of Social Credit, who are at present in Alberta. Said the Premier:

"The registration is required by the Social Credit Planning Board in connection with advice which it is seeking from Major Douglas in regard to matters that include arrangements for dealing with obligations of this Government to the owners of Alberta securities.

"Major Douglas has indicated that his advice will be given with the general object of assisting in so far as possible the fulfillment of obligations entered into in good faith with a full knowledge of the circumstances affecting all parties.

Failure May Mean Hardships

"In requesting the holders of Alberta securities to furnish the information required by the Social Credit board, the Government is anxious to give every assistance in any enquiry directed toward the fulfillment of contractual obligations. However, the Government cannot be responsible for any preventable hardships on individual stock or bondholders which, contrary to intention, may subsequently ensue as a result of their failure to furnish the information required."

At the time of registration the holder must take a statutory declaration that he or she is the beneficial owner and that the bonds are not held in trust for any unnamed individual or organization. The Premier says it is the intention to pay the public in full, and that the first step is to find out the names of those who hold Alberta bonds "so that the proposed arrangements can be made to meet these obligations."

The premier did not disclose how he hoped to secure the registration of the bonds which are widely distributed in Canada, United States and Great Britain. In financial circles it is felt that the Government will have difficulty in securing the co-operation of bondholders in facilitating Social Credit plans. It is pointed out that bondholders, before registering, would first like to know what the proposals are for the settlement of Alberta's obligations to which the Premier refers in vague terms. Certainly, bondholders do not want anything to do with proposals to settle the obligations in Social Credit scrip.

Will Ontario Hydro Offer New Contracts? Power Load Soaring

(Continued from page 1)

power, and might need additional reserves.

Former Contracts

Early in 1936, the Hydro made a new contract with Maclaren-Quebec Power Co. to purchase 40,000 h.p. whereas the previous contract which was cancelled by the Ontario Government called for a maximum delivery of 125,000 h.p.

The Beauharnois contract, which has so far been upheld in litigation still in the courts, calls for maximum delivery of 250,000 h.p. The Hydro is paying nothing to Beauharnois and is not taking delivery of any power under the contract.

One reason for scepticism about the possibility of a new Beauharnois contract is the technical problem of transmission of the energy to southern Ontario. It is claimed that $15 millions or more would have to be spent on transmission lines to take the power from the Quebec border to Toronto.

The pronounced growth of the Hydro power loads, particularly in the huge Niagara system of southern Ontario, is shown in official June figures:

Ontario Hydro June Loads
Maximum 20-Minute Peak Horsepower

System—	June 1937	June 1936	Incr. %
Primary Load:			
Niagara	1,002,011	846,515	18.4
Eastern Ont.	115,912	101,126	14.6
Georgian Bay	28,070	26,595	5.5
Thunder Bay	82,031	72,493	13.2
Northern Ont.	110,909	82,916	33.8
Total	1,338,933	1,129,645	18.5
Primary and Secondary Loads.			
Niagara	1,166,890	1,003,485	16.3
Eastern Ont.	126,039	112,855	11.7
Georgian Bay	28,070	26,595	5.5
Thunder Bay	125,416	115,282	8.8
Northern Ont.	167,209	119,645	39.8
Total	1,613,624	1,377,862	17.1

Province of Ontario

The Government of Ontario has sold $10 millions of three-year 2% bonds and $10 millions of seven-year 2½% bonds to a large syndicate of banks and investment dealers headed by Wood, Gundy & Co. The cost of the borrowings to the province is 2.2% and 2.85% for the respective issues.

Montreal Ousts Its Relief Board

From Our Own Correspondent

MONTREAL.—In a so-called economy move the executive committee of the city council has abolished the Montreal unemployment commission.

Brig.-Gen. E. de B. Panet, chairman of the commission, whose services had been loaned to the city by the C.P.R. for the nominal rate of $1 a year, has been replaced by R. Beaudet who as superintendent of relief services is to receive a salary of $9,000 a year. Mr. Beaudet's assistant is to receive $3,000 a year.

The total salaries of the abolished commission were $7,001 a year. General Panet received $1 a year and his fellow commissioners a total of $7,000.

While there was considerable dissatisfaction with the way the relief dole had been administered by General Panet and his associates, it is generally recognized that ousting of the commission was a political move. The dole administration is now a department of the city hall whereas previously it was administered by an independent commission.

Ousting of the commission had been protested by the Board of Trade, the Chamber of Commerce, the Trades and Labor Council, the Canadian Manufacturers' Association and the Citizens' Committee, but this did not deter the executive committee.

Estates Probe Being Pressed

Ontario Investigations Proceeding—Courts Get Laidlaw Case

Although the claims of the Ontario Government against the estates of Robert Laidlaw and Jessie Cameron Laidlaw for alleged unpaid succession duties will be decided by means of a suit in the Supreme Court of Ontario, rather than through the Royal Commission investigation discontinued this week, the Government is vigorously pressing investigations into other estates from which unpaid and overdue death duties are claimed.

Enquiry into the Laidlaw estates by Hon. Mr. Justice C. P. McTague, as Royal Commissioner, was suspended by Premier Hepburn, following the granting of an application of W. N. Tilley, K.C., counsel for the estate, for a stated case.

The Financial Post understands that the Government was agreeable to court procedure because of the large amount involved in the claims and the desire of the Government to proceed as rapidly as possible in settling the matter.

Some 43 other estates are under investigation by the treasury department of the province, but there is apparently no intention on the part of the Government, at the moment, to proceed against these estates by way of court suits.

Newsprint Output Higher in June

Canadian Shipments Are 20.4% Higher in First Six Months

From Our Own Correspondent

MONTREAL.—Newsprint production in Canada in June increased by 14.8% over the corresponding month of last year, production amounting to 310,871 tons as against 270,709 tons in June, 1936. This brings Canadian production for the first six months of 1937 to 1,783,350 tons as compared with 1,490,106 tons in the first half of 1936, an increase of 19.7%.

Total North American production for the month of June increased 10.7% to 419,183 tons. Newfoundland mills increased their output 6.5% while U. S. mills reported a decline in output of 1.6%. North American production for the first six months at 2,432,335 tons shows an increase of 15.6%.

Shipments Also Higher

Canadian shipments of newsprint in June amounted to 311,507 tons as compared with 263,002 tons in the same month of 1936, an increase of 18.3%. For the six-month period shipments increased 20.4% to 1,740,721 tons. This compares with an increase of 16.9% in North American shipments to 422,481 tons in June and 15.5% to 2,346,288 tons for the six-month period.

Shipments from Newfoundland increased by 50.9% or from 23,002 in June, 1936, to 34,719 tons in June, 1937. For the six-month period, however, production from Newfoundland mills decreased by 0.8% to 136,181 tons.

Stocks of U. S. publishers at the end of May amounted to 325,368 tons which is equivalent to 36 days' supply. At the end of May, 1936, they amounted to 237,030 tons which was equal to 28 days supply.

Bond Tenders

5 p.m., July 22, Port Arthur—$36,200, 4% 1- to 15-yr. serial; $13,500, 4% 1- to 15-yr. serial; $98,900, 4% 1- to 20-yr. serial. A. Evans, treas.

4 p.m., July 22, Cornwall—$40,000, 3½%, 20-yr. serial bonds, dated Aug. 1, 1937.

Foreign Exehange

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

Par	July 12	July 13	July 14	July 15	July 16	July 17
U. S. dollar, High	1.00 1/16	1.00 1/16	1.00 1/16	1.00 1/16	1.00 1/16	1.00 1/16
Low	1.00 11/64	1.00 11/64	1.00 11/64	1.00 11/64	1.00 11/64	1.00 11/64
1936, High	1.00⅛	1.00 1/16	1.00⅛	1.00⅛	1.00⅛	1.00 1/16
Low	1.00 1/16	1.00 1/16	1.00 1/16	1.00 1/16	1.00 1/16	1.00 1/16
U. K. pound	4.98	4.98	4.97¾	4.97⅝	4.98⅛	4.98¼
Australia	3.98½	3.98½	3.98⅜	3.98¼	3.98⅝	3.98¾
Austria	.1882½	.1883½	.1883½	.1883½	.1883½	.1883½
Belgium	.1687⅞	.1687⅝	.1687⅝	.1687½	.1686⅝	.1686⅝
Brazil	.0661	.0658	.0657	.0658	.0660	.0663
Czechoslovakia	.0349⅝	.0349⅝	.0349⅝	.0349⅝	.0349⅝	.0349½
Denmark	.2223⅝	.2224¼	.2223¼	.2223½	.2224¼	.2225¼
France	.0389	.0389¼	.0389	.0388¾	.0383¾	.0377¾
Germany	.4027	.4029½	.4030½	.4030½	.4029½	.4029[illegible]
Greece	.0091¼	.0091¼	.0091¼	.0091¼	.0091¼	.0091[illegible]
Holland	.5509¾	.5519⅞	.5521⅜	.5520⅜	.5521⅜	.5521[illegible]
Hungary	.1976¾	.1978¾	.1976¾	.1978¾	.1978¾	.1978[illegible]
India	.3757	.3762	.3762	.3762	.3759	.3765
Italy	.0527¼	.0527¼	.0527¼	.0527¼	.0527¼	.052[illegible]
Japan	.2882⅜	.2900½	.2897½	.2897½	.2897½	.290[illegible]
Jugoslavia	.0234	.0234	.0234	.0234	.0234	.023[illegible]
New Zealand	4.01½	4.01⅝	4.01⅜	4.01¼	4.01⅝	4.01[illegible]
Norway	.2502¼	[illegible]	.2501¼	.2502¼	.2503⅝	.250[illegible]
Poland	.1898	.1898	.1893	.1893	.1898	.189[illegible]
South Africa	4.97	4.97	4.96¾	4.96⅝	4.97⅛	4.97[illegible]
Sweden	[illegible]	.2567¾	.2566¾	.2563¾	.2568¾	.256[illegible]
Switzerland	.2296¼	.2298¼	.2298½	.2298	.2296¼	.229[illegible]
Hong Kong	.3038⅝	.3035⅝	.3034⅝	.3038⅝	.3035⅝	.3039[illegible]

Revenue Up For Regina

$61,044 Surplus Shown in First Five Months — Utilities Improve

The City of Regina had a surplus of $61,044 for the first five months of 1937 compared with a surplus of $24,339 in the corresponding period of 1936. Revenue for the five months ended May 31, 1937, was $804,342 compared with $743,251 in the 1936 period. Expenditures were $743,298 compared with $718,912. The three municipally operated utilities showed a surplus of $245,235 in the five months ended May 31, 1937, compared with $205,230 a year ago.

The complete financial report of the City of Regina for the year ended Dec. 31, 1936, has just been issued and a summary is given below:

Population: Present, 53,389; five years ago, 53,034. Area, 8,936 acres.

Income and Assessment Year Ended Dec. 31, 1936

	$
Current revenue	1,783,717
Current expenditures	1,733,478
Assessed value for taxation	42,146,043
Exemptions not included above	14,866,405

Tax rate, 1936: General, 26.34 mills; library, 1.10 mills; collegiate, 5.90 mills; public schools, 14.47 mills; provincial government, 2.19 mills; total, 50 mills (separate schools supporters, 56.53 mills).

Total tax arrears, $1,389,859. Last year's levy, $2,350,544; uncollected, $923,958.

Assets and Liabilities

	$
Value of municipality's assets	22,358,004
Debenture debt	15,474,338
Total sinking fund	7,130,794
Sinking fund arrears	140,196
Net other liabilities	1,286,568

Debenture Debt

	Debent. outstand. $	Sink fund on hand $
Public utilities	6,526,794	2,828,418
Local improvements:		
Ratepayers' share	2,407,871	1,197,778
Municipality's share	1,447,656	862,744
General debentures	6,487,903	2,241,853
Total*	16,870,226	†7,130,794

*Includes unsold debentures of $1,395,888.
†Sinking fund investment reserve and surplus $374,386.

Public Utilities

	*Net earnings $	†Net profits $
Waterworks	296,527	80,887
Elec. light & power	728,505	499,885
Street railway	79,086	§74,178

§Deficit.
*After operating charges only.
†After operating charges, interest and sinking fund.

Municipal Bonds

July 20, 1937

	Rate	Due	Bid	Ask.	Yld.
†Halifax	5	1961	110.50	112.50	4.17
Hamilton	5	1950	112.50	114.50	3.60
Montreal	5	1945	104.50	106.00	4.08
Ottawa	4½	1945	108.50	110.60	3.00
†Quebec	5	1959	102.00	104.00	4.70
Saint John	5	1950	106.00	107.50	4.26
†Toronto	4½	1955	110.30	112.30	3.55
†Vancouver	5	1950	89.00	94.00	5.68
Winnipeg	5	1944	96.00	100.00	5.00

†Payable Can. and N. Y.

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TORONTO, JULY 24, 1937

The Financial Post's Platform for Canada

1. *Balanced budgets.*
2. *Abolish politics in C. N. R.*
3. *Merit system in public service.*
4. *Freer foreign trade through Empire preferences and foreign treaties.*
5. *Stable tariffs for balanced development.*
6. *Stricter laws to protect investors.*
7. *An even break for Canadian national newspapers and periodicals.*
8. *A modernized constitution.*
9. *Integrity in meeting public obligations.*
10. *Wider markets for our farms.*

The Political Depression

THE Great Depression—which, as someone has suggested, has been followed by the not-so-great recovery—was a purely political depression. It cannot be blamed upon the scientists; the business men; the financiers; the bankers. It is purely the product of the mistakes of short-sighted and overzealously nationalistic political leaders throughout the world.

Today it is not the men of business and finance who are holding up recovery; it is, again, the political leaders who are blind to the very obvious need. This need has been well expressed by two among the few world statesmen who happen to have seen what is required for peace and recovery. Cordell Hull sees the world's primary need as "economic disarmament;" Mackenzie King thinks of it as "economic appeasement."

In 1933, there was held a world Monetary and Economic Conference. Political leaders from 55 countries attended. The conference broke up in confusion without even passing formal and meaningless resolutions. The politicians could not agree upon the generalities of the world situation.

The other day, business men from 40 countries met in Berlin for the biennial congress of the International Chamber of Commerce. Germans, Italians, Americans, Britons, Latin Americans and Asiatics agreed unanimously upon the broad terms of the programme the nations must follow for economic reconstruction. The general theme was "the international exchange of goods and services as well as migration . . . under favorable conditions."

The congress urged action now by all governments, during this period of expanding trade, in order to avoid the inevitable setback that must otherwise come when armament programmes have been completed. Private conversations and negotiations between governments, leading to a series of conferences, were suggested. Continuance and enlargement of currency stabilization agreements, looking to ultimate restoration of the gold standard, were favored. From these more general points, the congress resolutions went on to deal specifically with tariffs, quotas, most-favored-nation agreements, etc.

World peace can be achieved through world trade. It cannot be achieved otherwise. The new president of the International Chamber, Thomas J. Watson, president of the International Business Machines Corporation, who is well known in Canada, through frequent visits to his company's Canadian offices, put it this way:

> "When there is a proper flow of goods and services both ways across borders, there is no need for soldiers crossing them."

Business men throughout the world are willing to trade with one another. Governments make it as difficult as possible for them. Who then is responsible for the continuance of present insecurity and apprehension? Is it not the political leaders of the different countries?

Beclouds Railway Issue

S. W. FAIRWEATHER, director of the Bureau of Economics of the Canadian National Railways, in a speech delivered recently before the Kiwanis Club of Kingston, Ont., attempted to answer some of the criticisms that have been directed against the C.N.R.

Referring to "recurring attacks upon the Canadian National, with the accompanying flood of half truths, distorted statements and worse," Mr. Fairweather accused critics of the C.N.R. of "beclouding" the railway issue.

A perusal of his speech, however, indicates that he has been guilty of the very thing that he objects to, namely, "beclouding of the issue."

Every Canadian will agree with Mr. Fairweather that the C.N.R. is a great national asset and that it has played a prominent place in the development of the country. But that is only half of the story. Because of its wasteful deficits it is also a great national liability which is something Mr. Fairweather chooses to ignore. He failed to mention that the railways comprising the C.N.R. are responsible for piling up 70% or more than $3,177 millions of the direct and indirect debt of the Dominion government. He did not tell his hearers that the Canadian National is costing the Canadian taxpayers many millions of dollars every year and that the real deficit last year was $92.3 millions. To this aspect of the issue he referred merely in general terms, yet it is really the important issue today.

Mr. Fairweather estimated that the amount by which the C.N.R. fails to pay its way amounts to one cent per dollar of our annual wealth production. He did not point out that for every dollar of operating revenue the company received in 1936, the Canadian taxpayer paid almost 50 cents in order to meet the C.N.R. deficit.

On numerous occasions, The Financial Post has warned the Canadian public of the dangers inherent in these deficits. It should perhaps be pointed out once again that the Duff Commission also recognized these dangers when it stated that unless a solution was found for the Canadian railway problem the very stability of the nation's finances and the financial credit of the C.P.R. would be threatened.

Passing reference should perhaps also be made to Mr. Fairweather's attempt to belittle the high operating ratio of the C.N.R. It is interesting to note that his views differ substantially from those of the Duff Commission which found no justification for the wide gap between the operating ratios of the C.N.R. and that of its rival the C.P.R. Nor was this gap due to differences in accounting methods. The Duff Commission hired its own independent expert who, after a detailed analysis of the accounts of both systems in order to ensure a fair basis of comparison arrived at a ratio which still showed the C.N.R. to be wanting.

A number of Canadian National Railways officials are a little touchy about comments on the deficits of their enterprise. So far as The Financial Post is concerned, and it feels that it speaks for most business men in Canada in this matter, there is no unfriendliness to the Canadian National or to its very able operating officers in any comments we make upon the railway problem, the chief aspect of which is the C.N.R. deficit. What is needed is that major solution of the railway problem that will eliminate the wasteful losses. It is a national question and not a question in relation to any particular company.

The officers of the Canadian National could better spend their time in helping to work out that constructive solution than in belittling the deficit and defending the present most unsatisfactory railway status.

Shortage of Farm Managers

H. R. HARE, M.A., B.S.A., of the Agricultural Economics Branch, Ottawa, speaking at the Agricultural Representative Conference the other day, pointed out that in Canada, statistics show, there is ten times greater demand for good farm managers than for industrial managers.

There is an average of 20 to 30 workers employed in each of Eastern Canada's industrial plants for each urban industrial manager. That is, industry requires one manager out of each 20 to 30 persons employed. Ontario has 160,000 farms operated by as many managers. Each manager directs the work of from 2 to 3 persons only. In agriculture, we have only two to three workers from which to choose a farm manager. The comparison indicates that there is ten times greater demand for farm managers than for industrial managers. It is Mr. Hare's conviction that the successful operation of a farm requires just as great management skill as is needed in industry. Training in farm management is vitally important.

He could not but pay tribute to farmers who have risked all in taking their families to farms and wagering that they could maintain themselves and their families from the soil. Many have succeeded in spite of handicaps, but management training would have greatly reduced the apprenticeship period, improved the income of those carrying on and avoided many failures.

The basis of farm management lies in accounting.

Farm account books have been available to farmers for years but have been used scantily. Farm accounting is more than the recording of details to learn the status of the business. This is very useful but the record of this year's business can readily form the basis of an improved farm business for the coming year.

Any Argument in a Storm

THE short wheat crop in Western Canada is now held up by apologists for the Bennett-McFarland wheat holding policy as evidence that those gentlemen were farsighted. "Oh, if we only had that wheat now . . ." is the burden of the present song.

This is all very curious reasoning. The Financial Post well recalls the speeches and other public statements of John I. McFarland, when he was wheat dictator of Canada. His argument was that the world was surfeited with wheat; that Canada might as well make up its mind to reduce its wheat acreage. Mr. Bennett put Canada into the International Wheat Agreement, which was the beginning of an effort to ration production and marketing.

Thus there is a new turn to the propaganda. The Bennett-McFarland policy of withholding Canadian wheat from market was called a good policy a few years ago because the world faced a tremendous overproduction of wheat. Now it is justified on the ground that there is an apparent world shortage of wheat.

The real lesson of the episode is that it is foolish to talk about permanent shortages and surpluses of any commodity; and equally foolish to frame long-term policies of regulation and control upon the basis of temporary conditions. That was the real mistake of Messrs. Bennett and McFarland.

Where Is the Management?

THE depression and the recovery have combined to demonstrate how far the world is from the ideal state-managed economies.

Let governments spend money when times are bad and retrench when times are good; then the business curve will be flattened out, stability assured and drastic cyclical movements ended. Such is the facile argument of the John Maynard Keynes', the Foster's, the Catching's and the other theorists.

Unfortunately, governments cannot be counted upon to manage things so neatly.

Surely, if there was ever a time when governments ought to be retrenching in order to hold the impending boom in check, it is right now. But the United States continues to pour out public money to strengthen the Farley-Roosevelt political machine. Canada has yet to balance its budget. Britain is superimposing a huge total of rearmament expenditures on top of a normal recovery boom.

Recovery is rapidly getting out of a balance and a genuine prosperity is being inflated into a false prosperity.

Editorials in Brief

When the joint Congressional committee refused to investigate income tax evasion charges against the president's son, after filling the newspapers with "exposures" of the iniquities of leading Republicans and businessmen, it became apparent that the whole show was a political demonstration and no more an earnest effort to get at the truth than the Price Spreads Enquiry was in Canada.

• • •

A Toronto radical sheet rails at The Financial Post for writing up Trail, B.C., as a labor Utopia. It cannot be a Utopia because there are no labor unions there, says the red paper, which makes no reference to The Post's record of excellent wages and good working conditions in Trail.

This is just another demonstration of the fact that the labor agitator is interested in nothing but a chance to raise mischief; that he has no genuine desire to improve the lot of the worker.

Last week, a well-known Canadian pink professor said, "Higher wages and shorter hours are no answer to labor's insistence upon the right to organize."

He might have added that for some ambitious labor organizers good working conditions are a menace. They may benefit labor but they do not help the organizer to collect fees.

• • •

The Toronto Daily Star publishes a long list of electric railway lines that have been abandoned in the post-war years.

It is worth while recalling that it was at the very beginning of the period of decline of interurban electric railways that Ontario's great and reverently hailed apostle of public ownership Sir Adam Beck, attempted to build a vast new network of such lines in the province at enormous cost to the taxpayers.

The Financial Post was accused of practically every public crime from high treason to obscurantism because it opposed the Beck electric railway venture. The Post demonstrated that highway transportation by motor vehicles was just in its infancy and would soon supplant most electric radial lines. Later Premier Ernest C. Drury took the same stand as The Post. He fought Beck's romantic propaganda and saved the province from the colossal folly the Hydro chieftain had proposed.

• • •

"If the B.N.A. Act is to be amended, as it has been in the past, and doubtless will be in the future, there is not the slightest question that the British Parliament will refuse to agree to whatever the parties who requested the original act desire. But of course it would be manifestly unjust for the British Parliament to act on the request of one party alone or indeed contrary to the wish of any one of the parties. It must be remembered that the Dominion was created by the will of the provinces and not vice versa. It is not in authority over the provinces, and only exercises powers granted by them. If they like to grant more, they may and nobody is likely to object; but unless and until they grant powers to the Dominion, the latter must not encroach on their functions."

In this editorial comment, The Saint John Telegraph-Journal expresses the New Brunswick view of the Confederation pact. If eight provinces desire a change in the B. N. A. Act and one province is opposed, then the B. N. A. Act must not be changed.

It is a fair subject for discussion, however, as to whether or not any nation can survive a constitution as rigid as that.

Such an extreme position is untenable and must some day be relinquished in a fair compromise. It is doubtful if everyone in New Brunswick itself holds that view.

Sayings of the Week

"Get rid of fear and I believe the world would be a safer place."—*Sir Philip Gibbs.*

• • •

"Democracy means, not 'I am as good as you are,' but 'you are as good as I am.'"—*Theodore Parker.*

• • •

"There are those who have to be crushed by truth before they can understand it." — *Benito Mussolini.*

• • •

"The nations of the world are marching again down the same old road that led to 1914."—*Bernard M. Baruch.*

• • •

"Democracies should evolve and should not remain attached to obsolete ideas and conceptions."—*Georges Bonnet.*

• • •

"It is no exaggeration to say that all humanity is in the hands of Alberta headed by its people and its government."—*Hon. E. C. Manning.*

• • •

"If we save the money used for rearmament it will go to the idle rich who will use it to support luxury trades and turn our workers to parasitic service."—*George Bernard Shaw.*

• • •

The problem before every thinking man and woman must be how to establish conditions that will permit the diversion of the taxpayers' money from armament to the improvement of the standards of living."—*President Roosevelt.*

• • •

"It seems to me that all the country I saw between Toronto and Winnipeg could be divided into small producing units to take care of the population overflow from Europe." — *Frank R. Perrin, editor, Christian Science Monitor.*

• • •

"Under the guise of improving the situation for the least fortunate individuals we are tending in the direction which will end in destruction of personal individual rights and the greatest sufferers will be the masses."—*James R. Bancroft, president, American Institute of Finance.*

STALIN: "This means Russia is now a democracy — but remember: I'm still the boss!"

Work for Everybody . . [THE PROBLEM OF WAGES AND HOURS]

The following statement of the position of business in the United States is published because it presents so clearly conditions that are being duplicated in Canada.

It is briefed from a study by Harold G. Moulton, an independent, scientific investigator, who is director of the Brookings Institution of Washington.

The market value of the goods and services produced by the American people as a whole during the year 1936 was approximately 60 billion dollars. With allowance for price changes this was about 85% of the national product in 1929, but in per capita terms it was only about 80% of what it was in 1929. If the aggregate income had been divided equally it would have amounted to approximately $470 per person—about $1,900 per family. It is obvious, therefore, that a material increase in the total volume of goods and services produced is indispensable to the restoration of former living standards.

The production task now before the country may be stated in the following terms:

First, to make good the actual deterioration of plant and equipment sustained during the depression;

Second, to increase productive capital in proportion to the growth of population that has occurred; and

Third, to expand the output of consumption goods in accordance with this growth of population.

Popular thinking centres mainly on the last of these three; but the achievement of this depends fundamentally upon the fulfillment of the first two requirements.

Work to Be Done

We have recently made a comprehensive analysis of the expansion of production that would be required in the next few years to restore former levels of production and consumption.

The increase in housing construction would have to be 208%, industrial enterprises 70%, public utilities 70%, steam railroads 67%, passenger automobiles 15%, and other consumer goods 33%. Stating the housing problem in another way, we would have to produce annually during the next five years approximately three times as many housing units as we produced in 1936.

In aggregate terms, the volume of production in these lines would have to be roughly 60% higher than it was in 1936 and approximately one-third higher than during the boom period of 1925-29.

The primary explanation of the enormous production requirements to get us back to where we were is of course to be found in the continuing rate of population growth on the one hand and the suspended rate of growth in producing capacity on the the other. The real costs of a depression are registered in these fundamental relationships. They can be overcome only through a rebuilding process which will, first, make good the positive deficiencies and, second, expand the productive capacity in proportion to the growth of population.

Employment Possibilities

Let us see what the labor requirements would be in carrying through the programme of expanded production outlined above. Our investigations indicate that, in the field of durable goods, from eight to nine million additional workers would be needed. The increased production and labor required in the field of non-durable goods would be very much less. But there can be no doubt that the work requirements to restore living standards during the next five years are more than sufficient to absorb the entire volume of unemployment now existing. These estimates are based upon an assumption of an average working week of 43 hours.

The simple truth of the matter is that we have not yet reached a stage of technological development at which it is possible to obtain the standards of living which they desire if working time is shortened from that which now generally prevails. Bear in mind that the foregoing estimates are based merely on the assumption of a return to 1929 per capita levels of production and consumption. We need much higher levels than these to provide satisfactory standards of living.

During the period of great technical progress from 1900 to 1929, the length of the working week was reduced by approximately 13%. During the period from 1929 to 1936, with productive expansion held in check by the forces of depression, the working week was nevertheless reduced by approximately 20%. Our research reveals that anyone who favors a further general reduction in the length of the working week at this stage of our economic development unwittingly favors lower standards of living.

What is the bearing of wage and price trends upon the further expansion of production and the accompanying absorption of unemployment? As a basis for considering this issue, two fundamental principles must be clearly perceived.

First, the process of raising the standard of living of wage earners necessarily involves increasing wage rates as compared with prices.

If the wage earner gets more dollars and prices remain unchanged, his purchasing power is expanded. Likewise, if he gets the same number of dollars and prices decline, his purchasing power is expanded. But it can be expanded only by increasing wage rates relatively to prices.

Second, an increase of wage rates relatively to prices depends fundamentally upon increasing the efficiency of production.

Only thus will the means be available with which to pay higher real wages—provide more goods and services. Accordingly, there must be constant acceleration of technical advances, improved management, increased labor efficiency, etc. Any practices or policies that tend to work in this direction are economically sound; and any that work in the opposite direction are economically unsound.

Current Trends

With these principles in mind, the course of the recovery movement may be briefly reviewed. During the summer of 1933 wage rates were sharply increased. Prices advanced quickly but not quite proportionally. From the beginning of 1934 until the end of 1936 wage rates continued to increase at a moderate pace, while the prices of manufactured goods remained practically stable. During this period productive efficiency was materially increased. The economic results of these trends may be succinctly stated as follows:

(1) The increase in productive efficiency and the fuller utilization of plant capacity resulted in lower unit costs.

(2) The increase of wage rates relatively to prices and the gradual increase of employment steadily expanded the purchasing power of industrial workers.

(3) The expanding volume of sales led to increased profits—the reduction in unit costs more than offsetting the increase in wage rates.

The trends up to the end of 1936 were thus distinctly favorable. Production was steadily expanding and unemployment decreasing; purchasing power was being broadly disseminated among the masses; speculative business activity was not strongly in evidence; and the general balance between current production and current consumption appeared reasonably satisfactory. If the existing favorable balance could be maintained there was good reason for hoping that we might be entering upon a period of exceptional prosperity that would in a few years go far toward restoring the economic losses resulting from the depression.

In the last few months, however, this hopeful situation has been changed in one very important respect. The prices of both raw materials and finished products have been rapidly rising. The advance in the former is directly related to the military programmes of governments and the speculative activities that accompany boom conditions in certain lines of activity. The price increases in manufactured goods are the result in part of the increased cost of raw materials, but more largely of the sharp increases in wage rates that have been occurring. The recent abrupt increases in wages ranging anywhere from 20 to upward of 30% have not been related to efficiency.

With sharply rising costs all along the line there is a natural tendency to push prices up with a view to maintaining profit margins. These recent trends are thus laying the foundations for a rapid spiral of inflation. Rising costs lead to rising prices; higher prices lead to further advances in wages and other costs; and thus in turn to still further advances in prices.

Serious Maladjustments

Temporarily such price advances frequently provide a stimulus to industrial activity. With prices going up businessmen and others hasten to place orders and buy extra quantities in order to be ahead of the price advance. This expansion of orders still further accelerates business activity and stimulates advances in prices.

But developments such as these produce in due course serious maladjustments in the economic system as a whole. Particular labor groups which receive higher wages may stand to gain for a time; and similarly the industries in question may temporarily pass on the higher costs to consumers. But further expansion appears definitely to be menaced by the inflationary process.

The advance in the prices of such basic products as iron and steel and other metals, building materials, etc., may well serve to impede the expansion in certain very important lines. The financial condition of the railroads has only recently improved sufficiently to promote extensive physicial reconstruction of properties; but now, with the prices of steel rising rapidly and railway wage increases also in prospect, it is doubtful whether the railroads will be able to carry out the comprehensive programmes of rehabilitation which are so badly needed. Similarly, the building of new houses, apartments, etc., may well be held in check by the rising prices of building materials.

It may also be noted that large sections of the population would eventually suffer as a result of a rapid rise in prices. These include many groups of industrial wage earners unfavorably situated; individuals working for fixed salaries; those living on income from investments; and the farm population. Perhaps the most serious phase of the problem relates to the disparity which may again result between industrial and agricultural prices.

Has West Lost Will to Win?

Thousands of persons on relief today in Winnipeg could be making their own way if forced to get out and hustle for themselves, Rev. J. R. Mutchmor, secretary of the Evangelical Alliance, United Church of Canada, stated in a recent interview in the Winnipeg Free Press.

Asserting that the West had sunk into a slough of self pity and has lost the will to win that went into the making of the Prairie Provinces, Mr. Mutchmor advocated a complete shake-up in unemployment relief policies.

"There is entirely too much paternalism in government," he said, "too much state aid." He advocated instead a return to voluntary organization work.

State aid for between 5,000 and 6,000 on relief had proved impractical, said Mr. Mutchmor. The job should be broken up among voluntary groups, and at the same time the West should wake up to its responsibilities and stop running to Ottawa for aid all the time.

Fully 1,000 young women are on relief in Winnipeg who could get jobs as domestics, said Mr. Mutchmor. They prefer relief to the small wages they would get earning their own way. He stated that the authorities had done excellent work in finding jobs for single men, but 1,000 youths living at home in families on relief should be told to get out and work for themselves, and added that 1,000 families are on relief in Winnipeg who had no business here. If they had to do it, they could establish themselves on farms, he said.

Quoting from a book on Canada written by Andre Siegfried, Mr. Mutchmor said he agreed with the author that there was something vicious in the system of western Canada that prevented it from standing up to the depression. The trouble was that the standard of life was based on top prices for wheat, and the West seemed unable to adopt itself to lean days.

Too Much Self Pity

Western Canada pitied itself too much, he emphasized. Westerners all the time compared their plight with that of the more fortunate East. What were the facts? The city of Montreal had a bigger debt than the three Prairie Provinces combined. Winnipeg had a sinking fund more than half as big as the total municipal sinking funds of Ontario; while Sydney, N.S., had a larger debt than Regina with twice its population. Newfoundland and the Maritime Provinces had lost their overseas fish markets, with the most acute poverty resulting. But in the Maritimes the people were more independent than in the West, more determined to look after themselves. In Quebec the people looked to the church for guidance; in Ontario it was about 50-50 between independence and dependence on paternal authority, but in the West the people looked to the state to do everything, solve everything.

Hammering home his point, Mr. Mutchmor said that in Greater Winnipeg the banks supplied loans to purchase thousands of tins of vegetables to feed families on relief. Yet in all the environs of Winnipeg gardens glutted the markets with vegetables that couldn't be sold. Tons of vegetables probably would be destroyed for lack of purchasers, and all the time people on relief would be eating vegetables out of cans from places like Hamilton, Ont.

Post-Scripts

"Born in America"

WE NOTICED that again this year Hiram Walker's Distilleries ran in United States papers the advertisement about old Hiram who "was born in America on the day America was born—July 4."

"The happiest fate that can befall a man is to be born an American and be equal to American opportunities," says the ad, which goes on to tell how Hiram, born in Douglas, Massachusetts, in 1816 was a failure at 41, but became a world-famous figure before he died, an American citizen, at 83.

It's a cracking good advertisement and the only thing that tempers its spread-eaglism at all is a little tiny reference to the original Walkerville distillery "birthplace of Canadian Club, Canadian whisky." Hiram Walker may have been born in the U.S.A. but "Hiram Walker's" was born in Canada.

More Than She Could Stand

AMELIA EARHART was a woman of almost ineffable poise. There was not much that could upset her. Most situations that faced her were merely a challenge to quick but orderly thinking.

There was once, though, when she firmly declined to face an ordeal. It happened in Toronto. She came to that city to lecture in 1932 and agreed to be the guest of the Canadian Club at a noon luncheon. Being under contract to a lecture bureau, she explained that she must not speak for more than 10 minutes. The president of the club was panicky. He knew that the hundreds of men who would turn out would expect to hear her for a longer time than that. He sought for ways to fill in the balance of the 45 minutes usually allotted for speeches. He found a record made at the time Miss Earhart flew the Atlantic alone, landed in Ireland and broadcast a message back to North America. It was arranged to put this record on a phonograph in the hotel broadcasting studio and project the sound into the banquet hall over the public address system.

Apprised of the plan, Miss Earhart flatly refused to permit the record to be put on. "I have never heard the record," she said, "and I never want to hear it. I simply could not stand it—hearing my own voice over the air."

The plan was called off. But Miss Earhart was a good sport. She extricated the chairman from his embarrassment by extending her remarks to 22 minutes, in bold defiance of the lecture bureau's manager, a woman of resolute determination, who sat during the meeting with a look on her face that suggested her complete unhappiness over the whole proceedings.

Miss Earhart, at that meeting, said that it was in Toronto that the flying bug bit her. She came to the city during the war to visit her sister, a student at St. Margaret's. While there she became a V.A.D. worker at the Military Hospital on Spadina Avenue. Frequently she visited the flying field at Armour Heights north of the city, watched the cadets in training, and was seized with the romance of flying. Barnstorming Frank Hawks gave her her first flight in California in 1920. After that she set more records than any other woman in aviation.

Stop Me If You've Heard This One . .

Somehow, we could not help thinking of Alberta's Social Credit fantasia when we read this little story the other day:

The American and the Irishman were trying to see which could tell the taller story.

Said the American: "Well, I guess this beats everything. I once knew a man in the states who could take a 20-rung ladder into a field, stand it up on end, and then walk up to the top and down again."

"Begorrah, that's just nothin' at all," replied Pat, not to be outdone. "Oi know a man in Oireland who can take the same ladder into a field, stand it on end, walk up to the top—an' then pull it up after him."

As Others See Us . . . .

Looking at the West
Swift Current Sun

After completing a trip across Canada, A. R. Coffin, publisher of The News, Truro, Nova Scotia, wrote his funereal impressions of western Canada in his newspaper, and he found much to criticize. The Financial Post takes Mr. Coffin to task in an editorial, commenting that if he made his trip an annual one he would be less harsh in his criticisms; he would learn more of western problems that explain many western mistakes.

Mr. Coffin found the Prairie Provinces have been extravagant and have piled up debts excessively; many of the farmers are a spendthrift lot and, having spent their substance in high living, now go begging to their governments. Mr. Aberhart's Social Credit schemes are absurdities, but the premier hangs on to his $10,000-a-year salary, and so on.

The Financial Post with extreme tolerance of attitude says: "What with drouth and messiahs and grasshoppers and wreckage washed up by the world crisis, western Canada is not looking quite itself these days. It is a good country occupied by aggressive people who have had some peculiarly difficult problems to solve."

If Mr. Coffin could only see the spendthrift farmers of the West at their best, he would understand the reason for periodic spending splurges. He overlooked, in his ramblings, the frequent years the farmers take the rap of Nature so stoically and can't spend. What would he expect a man starving to death to do if a plate of succulent ham and eggs were placed in front of him. He would eat it voraciously. And don't forget, when the West gets an opportunity to get extravagant, the East and Nova Scotia, too, benefit materially.

Week in Business

Expect to Maintain High Summer Level

Expansion in Construction, Good Trade and Increased Purchasing Power Keep Trend Above Year Ago — Not All Lost in West

Expansion in construction, steady recession in unemployment, booming export trade and earlier wage increases now reflected in increased purchasing power have combined to keep Canadian summer business at levels substantially above the good record of a year ago. Recent slump in security markets has not, as was somewhat generally feared, been seriously reflected in industrial and trade fields.

* * *

While business will not feel full effect of Saskatchewan wheat failure for a month or two yet, this promises to be offset by a continuance of the first mentioned improvements, plus probably record tourist trade, gradual removal of fear of general strikes, threatened up to a few weeks ago, and steady improvement in agricultural prospects aside from wheat.

* * *

Gain in construction activity this summer and especially in the labor-absorbing residential and apartment building, is being hailed with satisfaction. Each week with more and more small projects started makes long-awaited recovery in this industry more certain.

Stabilization of wage and building materials costs are helping. The nine-months cycle of rising prices for such appears to have ended with contractors now able to go ahead with some assurance of completed costs.

* * *

The Canadian Bank of Commerce in its July letter regards the immediate past and future with complacency, stating:

"Industrial operations last month were practically at the high level recorded in May. While no further industrial progress can be reported for June, in contrast with the records of preceding months, there was no downturn of seasonal proportions, nor is any marked slackening in view. The summer period will of course be one of smaller production for several industries than the past season, but there are constructive elements which should maintain general business activity at a high level until new stimulating influences become effective next autumn."

* * *

In the flood of recent bad wheat news from Saskatchewan favorable information regarding other western industries is too liable to be overlooked. Wheat growing is of major importance throughout the Prairie Provinces and the total yield this year is going to be distinctly disappointing, but there are other industries which as in other parts of the Dominion have been making good progress.

According to the Industrial Development Board of Manitoba 80% of Winnipeg's industries have shown increases in employment and 70% increases in output in the first half of the current year compared with 1936. Average increase in output is estimated at 15%. Even in wheat, prospects point to good yields in Manitoba and fair to good harvests in Alberta. Late crops stimulated by recent rains promise generous supplies of livestock feed this fall and winter even in most of Saskatchewan. As a result, retail business in the three Prairie Provinces is expected to be probably as good as in 1936.

Business Indicators

Newsprint production and exports in June continue to expand sharply despite already heavy gains over the previous year. Cumulative for the first half of 1937 up approximately 20% in both cases.

Life insurance sales in June gained almost 20%. Reason, according to leading companies, general improvement. This was the best total for any month in five years.

Imports of raw materials generally up sharply from last year indicating that manufacturers are expecting satisfactory and growing demand for finished goods next winter. Cotton, rubber and oil imports in recent months very much above 1936. The fact that cumulative is also up substantially indicates that this gain is not all seasonal.

Decline in bank debits for June attributed to contraction of speculative investment in comparison with same month a year ago when stock markets were very active.

Indices both of The Financial Post and D. B. S. weekly continue to register advances.

Railways—Carloading and gross revenue for both main lines for second week in July improve over corresponding figure period in 1936.

Current trend in Canadian business is shown by The Financial Post's index of business activity, with new figures for the week marked▲

	Latest 1937	Latest 1936	Jan. 1 to date 1937	Jan. 1 to date 1936
Transportation—				
Car loadings, week (July 10)	▲51,821	43,172	1,286,526	1,168,998
C.N.R. gr. earn., wk. (July 14)	$ ▲3,770,754	$ 3,513,275	$ 102,274,476	$ 196,186,821
C.P.R. gr. earn., wk. (July 14)	$ ▲2,675,000	$ 2,502,000	$ 72,047,000	$ 67,275,000
C.P.R. net revenue (May)	$ 1,574,219	$ 1,450,289	$ 7,065,042	$ 5,615,450
C.N.R. net revenue (May)	$ 1,666,250	$ 933,551	$ 6,232,760	$ 2,465,596
Business Conditions—				
Weekly index D.B.S. (July 10)	▲109.6	108.5	......	......
Financial Post index (June)	▲122.6	110.5	......	......
Iron and Steel (June)—				
Pig Iron production (tons)	▲78,276	78,147	423,942	362,120
Steel ingots and castings prod. (tons)	▲118,744	82,196	713,177	578,700
Automobiles (Number)—				
Passenger Cars:				
Domestic sales* (May)	17,199	15,930	63,970	51,858
Factory output (May)	17,980	16,389	79,644	73,238
Trucks and Buses:				
Domestic sales* (May)	4,332	3,297	14,837	10,999
Factory output (May)	5,478	3,617	25,086	16,310
Exports (May)	5,075	5,246	27,678	27,804
Financing (May):				
Used	$ 4,734,847	$ 3,680,961	$ 14,459,623	$ 10,225,969
New	$ 5,793,077	$ 4,960,491	$ 17,892,468	$ 13,576,381
Construction—				
Cons. Contracts (June)	$ 30,369,600	$ 20,803,400	$ 110,375,800	$ 77,706,500
Production (Apr.)—				
Cement, bbls.	371,839	293,538	760,029	651,781
Gypsum, tons	65,706	40,007	102,360	53,100
Clay	$ 289,272	$ 226,722	$ 730,664	$ 609,875
Agriculture—				
Flour prod., bbls. (May)	900,288	1,196,339	5,058,720	5,378,549
Flour exp. bbls. (June)	389,995	430,171	2,076,707	2,291,171
Wheat exp. bus. (June)	12,180,068	25,763,565	43,724,035	94,597,586
Cattle sales (May)	54,304	64,423	295,522	329,015
Hog sales (May)	79,135	73,491	439,876	379,203
Newsprint (tons)—				
Production (June)	▲310,871	270,051	1,782,761	1,489,263
Exports, tons (June)	▲306,645	283,588	1,631,582	1,360,294
Mining—				
Coal prod., tons (May)	▲1,075,605	998,447	5,930,386	5,847,769
Coal imports, tons (Apr.)	916,062	491,146	2,600,538	1,980,926
Gold prod., fine oz. (Apr.)	323,337	299,269	1,288,231	1,142,347
Nickel prod., lb. (Apr.)	20,266,884	11,018,947	71,964,212	56,889,480
Copper prod., lb. (Apr.)	41,969,288	35,491,618	159,493,890	139,171,906
Employment D.B.S. Index (June 1)—				
All industries	114.2	102.0	......	......
Manufacturing	117.9	103.4	......	......
Electric Power Output (May)—				
Total monthly m.k.h.†	2,301,167	2,083,363	11,500,794	10,413,106
Trade—				
Retail trade (index no. of sales) (May)	78.9	72.2	......	......
Imports (May)	$ 76,707,454	$59,120,840	$ 305,147,005	$ 336,206,611
Exports (June)	$ ▲108,857,343	$ 79,942,336	$ 525,807,475	$ 424,545,951
Other Industrial Factors—				
Dressed lumber, exp: M. bd. ft. (June)	▲182,191	169,550	862,634	724,048
Boot & shoe prod., pr. (May)	▲2,239,211	1,795,518	10,257,149	9,320,902
Crude petrol., imp. gal. (May)	▲132,744,682	103,517,363	346,594,657	323,829,723
Cotton imports, lb. (May)	▲15,328,882	9,859,401	66,728,359	62,204,033
Raw rubber imp., lb. (May)	▲9,379,296	4,974,572	24,742,769	19,637,197
Cigarette cons. (May) No.†	575,520	500,069	2,427,117	1,966,407
Sugar (lb.)—				
Melting & sales§ (raw)	91,836,204	92,560,733	219,613,790	207,081,288
Manufactured§	87,359,375	86,330,367	209,735,216	199,940,805
Finance—				
Bank debits (June)†	$ ▲2,891,917	$ 3,135,569	$ 18,186,008	$ 17,246,852
Bond sales (June)	$ 103,300,184	$ 187,787,200	$ 696,833,890	$ 754,241,487
Life insurance (June)	$ ▲37,658,000	$ 31,247,000	$ 192,736,000	$ 181,267,000

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For 4 weeks to May 22.

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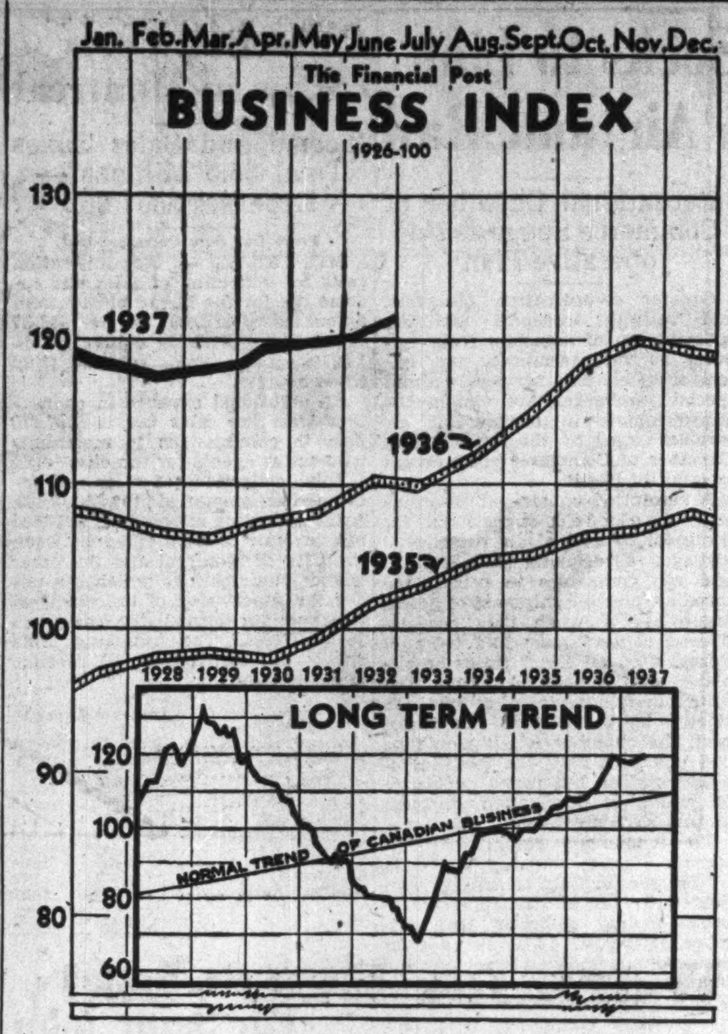

BEST SINCE 1929

Increased activity in trade, steel, mining and construction sent The Financial Post index in June to a point not reached since 1929.

Major Canadian Economic Factors

		June, 1937	June, 1936	May, 1937	Inc. or Dec. June, 1937-1936
Financial Post business index		122.6	110.5	121.0	+11.0
Wholesale prices		84.6	72.3	85.1	+17.0
Common stocks		129.4	113.8	132.2	+13.7
Inverted index of Dom. bond yields		144.3	149.5	140.8	—3.5
Bank deposits	$	120.2	111.3	121.1	+8.0
Bank debits		$2,891,916,624	3,135,569,349	2,768,765,081	—7.8
Mineral Production:					
Copper exports	cwt.	367,208	245,944	350,004	+49.3
Nickel exports	cwt.	216,710	142,281	217,522	+52.3
Zinc exports	cwt.	321,107	286,456	342,249	+12.1
Asbestos exports	tons	17,205	12,225	22,163	+40.7
Gold shipments	fine oz.	350,094	303,848	323,879	+15.2
Silver shipments	fine oz.	1,293,506	1,608,855	1,589,689	—19.7
Manufacturing Production:					
Creamery butter production	lb.	37,832,241	39,003,644	24,511,895	—3.0
Cheese production	lb.	24,246,383	20,892,070	11,216,617	+16.1
Cattle slaughterings	No.	148,969	135,975	149,515	+9.6
Hog slaughterings	No.	293,541	269,474	328,014	+8.9
Newsprint production	tons	310,871	270,051	309,232	+15.1
Woodpulp exports	cwt.	1,567,647	1,182,297	1,589,614	+32.7
Exports of planks & boards	ft.	182,191,000	169,550,000	152,758,000	+7.5
Steel ingot production	tons	118,744	82,196	120,843	+44.5
Pig iron production	tons	78,278	56,362	78,147	+38.9
Automobile production	No.	23,841	16,400	23,458	+45.4
Construction: Contracts awarded	$	30,369,600	20,803,400	24,170,500	+46.0
Building permits	$	6,013,668	4,656,689	5,399,489	+29.1
Railways: Carloadings	No.	214,229	200,840	208,820	+6.7
Exports	$	108,857,343	79,942,336	101,576,635	+36.2

Price Changes on Millions of Dollars Worth of Hardware

Drought in the West, excessive moisture in the East, and strikes in U. S., having far-reaching effect on prices and market conditions for hardware.

60% OF FARMERS NOW PAYING CASH FOR LARGER APPLIANCES

Striking example of improved buying power of agricultural population.

INCREASE IN JULY WHOLESALE HARDWARE TRADE IN ONTARIO

Analysis shows the largest increase is in the rural areas.

They are only a few of a score of outstanding news and merchandising features in the July 24 issue of

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Combines Officials May Clamp Down on Price Maintenance Agreements

Where monopoly control exists through patents or high tariffs, new Combines Commissioner may take action. An exclusive interview with F. A. McGregor, Combines Commissioner.

PLUMBERS ASK NEW WAGE AND HOUR SCHEDULE UNDER INDUSTRIAL STANDARDS ACT

Plumbers' labor organization takes steps ahead of employers to get new schedule. Last one declared ultra vires.

IS THE PLUMBING TRADE TAKING ADVANTAGE OF THE HOME IMPROVEMENT PLAN?

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Hotelmen Fight Beverage Room Tax—Claim Grave Injustice

Licensing of beer parlors in British Columbia is unfair, according to group of Provincial hotelmen.

GOVT. SANITATION REPORT RECOMMENDATIONS AFFECT ENTIRE ONTARIO HOTEL INDUSTRY

Report deals with measures affecting every type of eating place in Ontario—an exclusive Canadian Hotel Review and Restaurant feature.

WORLD MARKET FOOD REPORTS BRING INTERESTING NEWS

Rain, vermin and hot weather attack the crops with resultant problems for hotel and restaurant men.

Above are a few of the outstanding features and merchandising articles which appear in the July 15 issue of

CANADIAN HOTEL REVIEW AND RESTAURANT
481 University Avenue, Toronto

"Business of $112,000,000 Forecast for Food Chains This Year"

An increase of $7,000,000 estimated by Canadian Grocer.

"RAIN, VERMIN, HEAT, SHORTEN PACK OF CERTAIN VEGETABLES"

Exclusive market story on setbacks and progress of the canning crops.

Two of a score or more important news, and merchandising features in the current issue of

CANADIAN GROCER
481 University Avenue, Toronto

Is Price Maintaining Publisher a "Profit Hog"?

Attitude of trade and public toward book publisher who puts his product under the protecting wing of price maintenance legislation.

WHAT HIGHER PAPER PRICES WILL MEAN TO FICTION REPRINTS

An interesting analysis of the effect of current strength in paper prices.

CHANGE IN SALES TAX REGULATIONS AFFECTS PUBLISHING BUSINESS

Details of the changes which were predicted in last issue.

Three of many timely features of great current interest to the book and stationery business, appearing in July 15th issue of

BOOKSELLER & STATIONER
481 University Avenue, Toronto

"Loss Leaders Becoming Misleaders" in Price Slashing War on Men's Wear

So says one prominent manufacturer in urging steps to curb the sacrificing of trade margins.

LABOR TROUBLES LOOM AS LATEST MENACE TO MEN'S WEAR TRADE

With existing conditions conducive to labor organization, large retailing firms are becoming vulnerable.

SHOWMANSHIP IN BUSINESS NECESSARY FOR SUCCESS IN MERCHANDISING MEN'S WEAR

All retailers and salesmen may be divided into two classes—those who sell and those who merely take orders.

Keep informed! Read these outstanding features and merchandising articles which appear in the July 15th issue of

MEN'S WEAR MERCHANDISING
481 University Avenue, Toronto

Important New Developments in Combined Styling of Dresses and Foundation Garments

Details of a revolutionary plan designed to improve the silhouette.

19TH CENTURY INFLUENCE RETURNING IN LINGERIE

Ribbons, eyelet embroidery and lace being used to increasing extent in lingerie trimming.

Two outstandingly important style trend articles which feature the July issue of

STYLEWEAR REVIEW
481 University Avenue, Toronto

Dom. Textile Bookings Up

Increase of $2 Millions Shown in First Half of 1937

From Our Own Correspondent

MONTREAL.—Bookings of Dominion Textile Co. during the first six months of 1937 totalled $11,064,000, an increase of slightly over $2 millions over the corresponding period of 1936, J. G. Dodd, director in charge of sales, told the annual meeting of shareholders here. Shipments during the period showed an increase of over $1 million.

Mr. Dodd stated that during the past two months there had been a slight recession as compared with earlier months of the year, but intimated that the outlook is still good. Volume is expected to pick up again later in the year.

Mr. Dodd stated that British competition continues to be serious. There have been price advances in Britain, he said, but business has fallen off and as a result British competition in the Canadian market has been severe. Competition from U. S. made goods has been declining, while competition from British goods has increased.

The "Dumping Act," Mr. Dodd charged, is not being enforced. Goods are at times shipped to Canada for sale at below cost, but nothing is done by the Government to stop this practice.

Directors of the company were re-elected, with the exception of W. A. Black who was replaced by Hon. J. L. Ralston, Montreal.

National Biscuit Co. Earns $2,884,035

National Biscuit Co. reports net profits for the three months ended June 30, 1937, at $2,884,035, after allowing for depreciation, income taxes and other charges, but before the U. S. surtax on undistributed profits.

The second quarter's earnings amounted to 39 cents a share on the common stock, after preferred dividends, compared with 42 cents a share in the corresponding period of 1936 and 33 cents a share for the first quarter of 1937.

Earnings for the full year 1936 amounted to $1.73 a share on the common on which an annual dividend rate of $1.60 a share is being maintained.

Background of Business

B. C. Shipping Ebbs

Not many weeks ago, exporters at British Columbia ports were busily bidding for space. Now the situation has changed with practically no wheat moving and little lumber. Ocean freight rates, previously increasing sharply, have fallen back abruptly, but even the decline has failed to stimulate business, importers in foreign countries, apparently being confident of a further drop. In lumber they are also expecting lower prices. Since late spring, British buyers have shown considerable reluctance to maintain their recent rate of lumber purchases and as a result the cycle of steadily rising prices in the last 18 months has been broken.

* * *

Canadian Steel For Britain

A large shipment of steel is on its way from a Hamilton (Ontario) plant to Manchester, England, almost in the heart of the British steel country. This unusual development is the result of the present British rearmament programme which has so increased the demand from domestic steel plants in Great Britain that orders for anything like immediate delivery of commercial production are impossible. The Canadian order came from a large United States manufacturing firm which is establishing a plant in Manchester.

Steel mills in and around Hamilton, as well as practically in every other steel manufacturing centre of Canada, are working at capacity with both domestic and export demand at a high level. So far, however, the strike situation in United States has not, it is understood, resulted in any diversion of orders to Canada. The British preference would undoubtedly be the deciding factor in giving the English export order mentioned to Canada rather than United States.

* * *

Grocery Sales

Business volume for chain, grocery and combination stores in Canada for the first half of the current year is up about 5%, according to an estimate by Canadian Grocer. Substantial gains over the first half of last year are reported in both east and west. These gains are expected to continue and probably increase in eastern Canada but little improvement over 1936 is anticipated in the Prairie Provinces due to the wheat crop failure in Saskatchewan.

1889—1937

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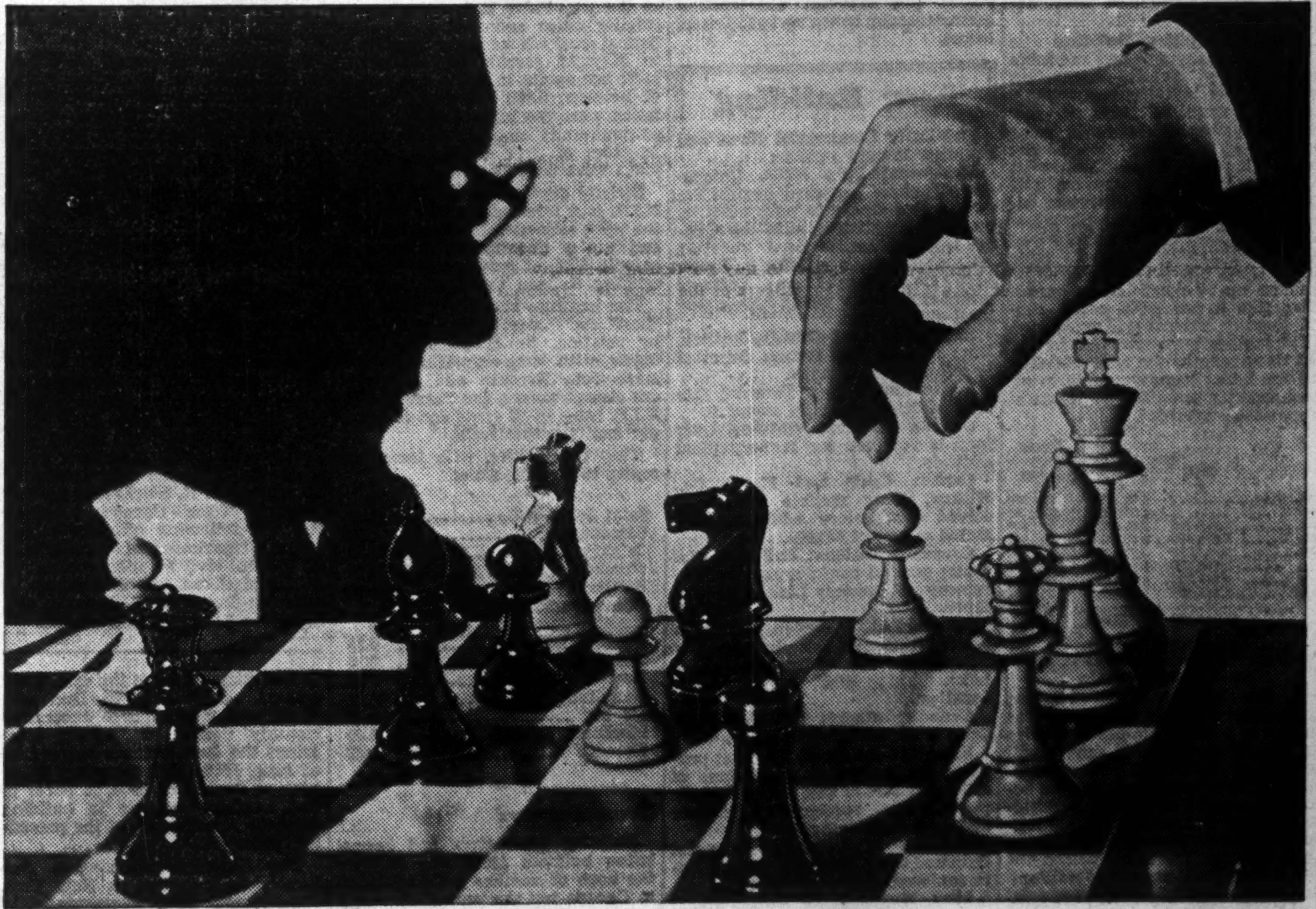

Foresight Wins

OF CHESS, Benjamin Franklin wrote—"Several very valuable qualities of the Mind, useful in the course of human Life, are to be acquir'd and strengthened by it." Foresight he mentioned first.

Certainly there is one occasion in life where planning and foresight are necessary—that is when a man becomes head of a family and faces the responsibility for the future of his wife and children.

If you plan your financial affairs as skilfully as the expert does his chess game, you will fortify yourself and your family against misfortune and want.

A Life Insurance Program started early and planned carefully is your wisest move in the uncertain game of living. It will afford your wife a sure income and untold peace of mind in case she is left alone to bring up your children, and it can give you security during your retirement years.

A Metropolitan Field-Man will gladly help you work out the Program best suited to your needs. Telephone your local Metropolitan office or mail the coupon.

The Metropolitan issues life insurance in the usual standard forms, individual and group, in large and small amounts. It also issues annuities and accident and health policies.

The Metropolitan is a mutual organization. Its assets are held for the benefit of its policyholders, and any divisible surplus is returned to its policyholders in the form of dividends.

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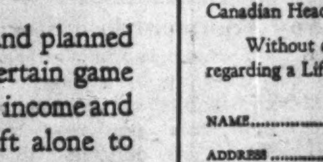
FREDERICK H. ECKER, *Chairman of the Board*



LEROY A. LINCOLN, *President*

CANADIAN HEAD OFFICE—OTTAWA

SERVING CANADA SINCE 1872

Construction

H. I. P. Loans May Reach Total Of Fifteen Millions This Year

Recent Sharp Improvement Keeps Pace With New Building

JUMPING MONTHLY

Though off to a disappointing start the Home Improvement Plan of the National Employment Commission now appears to be living up to original expectations.

Since spring, loans for house and apartment renovations under the scheme have maintained an advance fully in proportion to that of total new construction in the same category. If progress is maintained at the same rate throughout the year, and present indications point to even a faster pace, then well over $15 millions and possibly as high as $20 millions, will be out in H. I. P. loans by Dec. 31.

Nearing $10 Millions

The plan became nationally operative gradually from Nov. 1, last year. Since then up to mid-June slightly over $6 millions has been loaned for house and apartment repairs. As the last half month to be reported was the best period yet recorded and increases have been rapid since spring, it is apparent that the scheme is still gaining in popularity and that close to $10 millions may be loaned by the end of this month. Such a total was predicted by The Financial Post shortly after the scheme came into effect last year.

At that time it was pointed out that $10 millions spent directly throughout H. I. P. loans would probably generate a total of expenditure of $25 millions for home improvements. This estimate was based on United States experience where under a similar plan it has been found that for every dollar lent for home improvements at least another dollar would be put up privately and from 50 cents to a dollar spent on furnishing which does not come under the plan.

Some home owner decides to take a loan under the government plan. He goes ahead and remodels a kitchen or bathroom or adds verandah or spends up to $2,000 on any of a score of jobs around the property. Friends and neighbors drop in, admire the change and decide to do likewise. For every one that takes a cheap government guaranteed loan to carry out the work, two will probably dip into their own bank account.

Gain With New Building

The accompanying chart and table indicate very definite connection between new building and repairs. As the former advances in any volume so does the latter. It is the old rule of "Keeping up with the Jones." A new verandah, or paint job or a complete new house on any street attracts the attention and interest of neighbors. Invariably a few of them will start something along the same line themselves. In renting districts old property must be brought up to condition on something like a par with brand new buildings or tenants will move out.

The table below shows that for the last three months the amount taken out for home loans amounts to almost exactly one-fifth of the total of contracts awarded.

	1936 $	New residential construction 1936-37 $	Home improve. loans $
Nov.	....	4,212,000	682,000
Dec.	....	1,917,500	516,200
Jan.	1,222,600	2,831,000	302,900
Feb.	1,099,400	3,031,000	305,800
Mar.	2,104,500	3,715,400	598,400
Apr.	3,703,300	6,435,300	1,239,600
May	4,541,300	6,460,400	1,605,900
June	5,318,400	6,976,800	*1,759,600
	17,989,500	35,579,400	7,010,400
Total first 6 months..	17,989,500	29,449,900	

*Estimated on basis June 1-15 figure.

New Building Gain

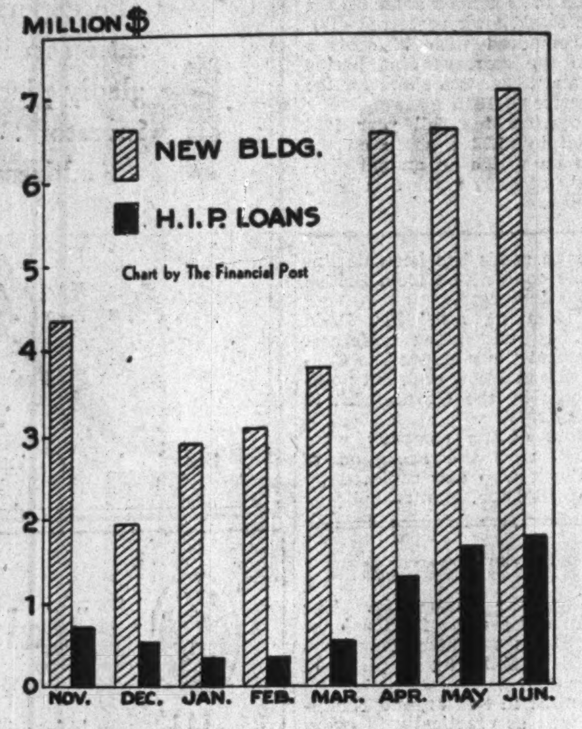
If this proportion is retained throughout the balance of the year then it is a fairly simple matter to figure how much H. I. P. money will be lent in 1937. Total new residential and apartment building, as reported recorded by MacLean Building Reports is just short of $30 millions for the six months ending June. Last year for the same period the total was a little under $18 millions. But for the whole of last year total building amounted to almost $43 millions. In other words there was 25% more building in the last half of the year.

Real improvement in residential building did not commence until fairly late in 1936 but ignoring seasonal winter declines it has been continuing on an improving scale ever since.

If this improvement continues last year's 25% gain in the second quarter will be repeated which would mean a total for the year of not far short of $80 millions. Incidentally this would be the best showing since 1930 and within a million or two of that year.

One-fifth of this $80 millions or $16 millions can be estimated as the total for H.I.P. loans. In view of the fact that fall is the natural season for many repairs and improvements, including big cost items like heating equipment, such a total proportion does not seem to be out of the way.

The Home Improvement Loans, sponsored by the National Employment Commission as one means of increasing jobs, are negotiated through any chartered bank. They are given to responsible home owners for the specific purpose of making permanent home improvements. No collateral is necessary. Amounts available per home run up to $2,000, repayable in monthly installments up to periods of three years. The simple interest rate figures out at a little above 6%. On apartments individual loans up to $51,000 are available and time of payment is spread over five years. The Federal Government guarantees the banks up to 15% total losses.



H. I. P. LOANS KEEP PACE

Though off to a poor start last fall and winter recently the Home Improvement Plan loans have been forging ahead, with gains fully comparable to those of new residential building in Canada. Striped pillars indicate total of residential and apartment building in Canada monthly since last November, as based on MacLean Building Reports statistics. Black pillars represent monthly totals of H. I. P. loans for same period.

New Building

The Daily Commercial News and Building Record reports:

Chicoutimi Pulp Mills, Chicoutimi, Quebec; proposed acquisition and improvements to pulp mills by interests negotiating with the Quebec Government.

Bruce Estate, c/o John A. Bruce Seed Co., Hamilton; contract awarded for new warehouse, structural steel frame.

Shell Oil Co. of Canada, London, Ont.; proposed oil storage depot of two 15,000 gallon tanks.

Stuart and Foster, Toronto; factory addition contracts awarded.

Canada Packers, Aurora, Ont.; tenders received for tannery plant addition.

Canada Cycle and Motor Co., Weston, Ont.; tenders being received for factory addition, estimated at cost of $50,000.

Canadian National Railways, Toronto; general contract awarded for subway at Brown's Line, near Toronto.

Bauers, Ltd., Waterloo, Ont.; proposed addition to felt plant, $15,000.

Imperial Bank of Canada, Larder Lake, Ont.; new branch bank building.

Canadian Gasket Co., Fort Erie, Ont.; brick addition to plant.

King Edward Hotel, Toronto; proposed modernization programme at estimated cost of $250,000, to include refurnishing, redecorating, repairs and air-conditioning.

General Motors of Canada, Oshawa, Ont.; conveyor system between west and north plants.

New Brunswick International Paper Co., Dalhousie, N.B.; proposed newsprint storage shed at pulp and paper mill, to have capacity of 8,000 tons.

Dominion Palace Pier Bondholders to Meet

Holders of the $50,000 of 7% first mortgage bonds of Dominion Palace Pier Corp. are to meet at Toronto on July 29 for the purpose of formulating a plan to protect the bondholders' investment.

The company owns the unfinished recreation pier west of Toronto and funds for its completion have been lacking.

The outstanding capital stock is 61,000 common shares of $10 each.

The bondholders' meeting has been called by the trustee, Premier Trust Co., Toronto.

Construction World

Who Benefits From H. I. P.?

Because totals of Home Improvement Plan loans in such cities as Montreal and Toronto are many times the volume reported from smaller communities, the belief is widespread that benefits of the plan accrue chiefly to the large urban centres.

The truth is that growth of the plan across Canada is due chiefly to the popularity it is enjoying in smaller cities and towns and statistical analysis of loans made up to May 31 reveals that loans of $1.35 per capita in cities and towns of between 5,000 and 10,000 population were the highest of any class of community on a per capita basis. In cities of over 40,000 population loans were only 72 cents per capita.

Strictly rural business under the H.I.P. is a relatively minor part of the total, estimated by the Canadian Institute of Plumbing and Heating at only 10% of government figures relating to loan totals to June 15.

The institute recently graded the "best" and "worst" cities of Canada in relation to H.I.P. loans per capita, with some surprising results, since both Toronto and Montreal are classed among the "worst" with H.I.P. loans of 68 cents and 50 cents per capita respectively.

The "best" cities, with loans per capita to May 31, were:

	$
Saint John, N.B.	1.69
Edmonton	1.65
Calgary	1.34
Windsor	1.12
Halifax	1.09

The "worst":

	$
Verdun, P.Q.	0.33
Saskatoon	0.35
Regina	0.36
Hamilton	0.44
Quebec	0.49
Montreal	0.50
Toronto	0.68

* * *

Boom Dangers

Building contractors and speculative builders frequently express the hope of another building boom in Canada but the present recovery trend in the construction industry has not reached boom proportions and it is probably well that the recovery process is moderate. Building booms have their unhealthy aspects in the same way that a booming stock market brings its inevitable reaction and the accompanying headache for speculators in securities.

There is a danger signal for Canadian construction interests in the drastic decline of building permits issued in 215 cities of the United States during the last three months. According to Dun and Bradstreet the third successive monthly decline in permit total brings the June volume below that of June, 1936. It is necessary to go back to December, 1934, in order to find another decrease in building from the same month of the preceding year.

The June recession was due largely to a decline in New York City permits which aggregated $11.9 millions, the smallest total since February. The total of American permit values was $94.6 millions in June, or a drop of 3.7% from May.

Canadian construction recovery has been slower perhaps than that of the United States, partly because speculative enthusiasm is notably less pronounced in Canada. But if the current figures mean anything they indicate that the Canadian recovery is taking place on a more stabilized basis than was the case across the border.

Alexander Bldg. Cuts Expenses

Company in Default on Bond Issue — Rentals Improved

A reduction of approximately $15,000 in operating expenses of Alexander Building Corp., Montreal, in the year ended April 30, 1937, was responsible for the lower loss reported. Bond interest was paid at the rate of 3% during the year, although charged at the full 5% rate.

Under the terms of a reorganization carried out in 1933, the company was not in default on its bonds until interest had accumulated to the extent of 15% or more. This point has now been reached and bondholders representing 50% of outstanding bonds, can declare the principal due. Directors, however, consider that no good purpose would be served by this action at present.

The building is 100% rented at present at rentals slightly higher than prevailing in the past year.

Income and Surplus Account
Years Ended April 30

	1937 $	1936 $
Rentals	172,024	172,466
Sundry revenue	8,799	8,342
Total income	180,823	180,808
Less: Oper. & admin. exp.	102,987	117,878
Net oper. revenue	77,836	62,930
Less: Prov. for bad debts	4,458	1,264
Depreciation	37,314	37,314
Add: Int. earn. (net)	903	1,129
Net earnings	36,967	25,481
Less: Bond interest*	117,330	117,330
Net loss for year	80,363	91,849
*Amount paid	58,665	58,665

Working Capital

	1937 $	1936 $
Current assets	68,801	59,340
Current liabilities*	3,291	4,626
Working capital	65,510	54,714

*Does not include accrued and unpaid bond interest of $342,212 in 1937 and $283,547 in 1936.

Auxiliary Airport Vital for Toronto

Trans-Canada Chief Says Island Site Dependent on Good Weather

The importance attached by aviation experts to accessibility of urban airports to rail and postal terminals and business districts, was indicated this week after an inspection by Canadian and American air transport officials of the sites selected for Toronto's airport development.

In a statement issued on behalf of the inspection party by Philip C. Johnson, operating vice-president of Trans-Canada Airways Corp., Toronto, was declared to have "an ideal combination of airport facilities." The group spent several days at Toronto in the course of the west-to-east survey of the Trans-Canada route.

Said Mr. Johnson in his statement:

"The Island site is well located and will serve all ordinary needs, but is definitely limited to good weather conditions. An auxiliary field is essential and the Malton site is satisfactory in all respects."

Accompanying Mr. Johnson during the inspection were D. P. Colyer, vice-president of United Air Lines, with which American company Mr. Johnson was formerly connected; D. R. MacLaren, general manager Trans-Canada Airways; and the following officials of the federal department of transport: J. A. Wilson, civil aviation controller; A. D. MacLean, superintendent of airways; Inspector J. Hunter, and Squadron Leader J. H. Tudhope.

Seeks to Link Air and Rail

International Chamber of Commerce Suggests Co-operative Plan

Greater co-ordination of aerial and railway transport facilities, speeding up of transfers from airports to rail terminals and extension of air mail services without special surcharges, are among the improvements in commercial air services urged by the International Chamber of Commerce at its recent meeting in Berlin.

A resolution on air-rail co-ordination included suggestions for transport by rail of air passengers' luggage; agreements between air and rail companies to permit the speediest possible shipment of goods, regardless of when they are delivered at terminals; and issue of tickets good on either trains or airplanes at the holders' option. Despite a certain degree of competition offered by aviation to rail transport, the chamber felt it would be bad policy to limit the facilities of either system, but urged avoidance of wasteful duplication through mutual agreement.

The chamber's resolution comments:

"The special field of activity conquered by the air transport enterprises mainly embraces long distance transport, journeys over mountainous and desert regions and journeys including an overseas flight. The development of air navigation is constituted by a new traffic created by air transport owing to its technical characteristics, and is not solely due to ground gained on other means of transport."

Insurance Policies

Another resolution urged that accident and life insurance policies should be made available without extra premiums to travellers on regular air lines between countries, and between continents.

Gradual abolition of surcharges for transmission of letter mail by air, through co-operation between postal officials and aviation interests and through action by the 1939 Universal Postal Congress, was strongly recommended. The resolution on this question observed:

"In international postal service, it is a generally accepted principle that all letter mail should be forwarded to its destination by the quickest and most direct route. Consequently, air transport being by far the quickest means of transport available and at the same time sufficiently reliable, the commercial user is entitled to expect that as soon as circumstances will permit, air transport should be treated as the normal method of carriage for his international correspondence without any extra charge being levied."

Trailer Standard

The revised trailer endorsement as recommended by the standing committee on automobile insurance forms has been approved by H. D. McNairn, chairman of the standing committee of the Association of Superintendents of Insurance. The endorsement will become effective as a standard form as from July 31, 1937.

Collection Costs Low in Montreal

Income and Sales Taxes Total $5.5 Millions — Expenses $357,562

From Our Own Correspondent

MONTREAL. — Administration costs for collection of sales and income tax for the Island of Montreal amounted to $159,891 in the 1936-37 fiscal year. This is equivalent to 2.897% of the gross revenue from these sources.

An additional expense in connection with the sales tax is $197,670 paid in commissions to merchants who act as agents for the city.

Total collections of sales and income tax amounted to $5,518,493. After deducting expenses of $357,562 net revenue to be divided between the City of Montreal and the other island municipalities which are under the supervision of the Montreal Metropolitan Commission amounted to $5,160,931. The following table shows the distribution of receipts and expenses.

	Tax collected $	Expenses $
Montreal	4,734,289	206,751
Westmount	140,164	9,182
Verdun	351,322	22,763
Outremont	165,647	10,733
Montreal East	12,967	840
Mount Royal	12,573	814
Pointe-aux-Trembles	17,177	1,112
Montreal West	18,450	1,194
St. Laurent	30,930	2,004
St. Michel	8,837	572
Montreal North	26,136	1,693
	5,518,493	357,562

Suggests Merger For Saint John

In a report to the Saint John, N.B., City Council, A. Murray Milne of the Ottawa accounting firm of Milne, Steele & Co., has recommended that "consideration be given to the possibility of the City of Saint John amalgamating with the urban section of the county to form a metropolitan area."

The report includes constructive recommendations in regard to administrative details, and outlines the causes of a favorable current position as at Dec. 31, 1932, of $385,102 becoming an unfavorable position to the amount of $395,665 at the end of 1936.

Mr. Milne suggests that the city should proceed with a tax arrears sale at once and that methods of tax collecting and tax levying should be improved. In this connection he points out that outstanding water rights in Saint John are much higher than in other cities and that sufficient attention has not been given by officials to the minimum tax arrears. He also suggests that no excuse should be accepted for non-payment of rentals on city-owned property and miscellaneous accounts receivable in the future.

Must Maintain Tax Rate

It would appear, the report states, that the tax rate should be maintained at not less than 40 mills for some time and that ferry rates should be increased.

It is also suggested that the city should give consideration to budgeting for capital as well as current expenditures; that the term of bonds should be shortened; that the city should consider disposing of the bonds in the special investment fund; that no sinking fund debentures should be sold in future.

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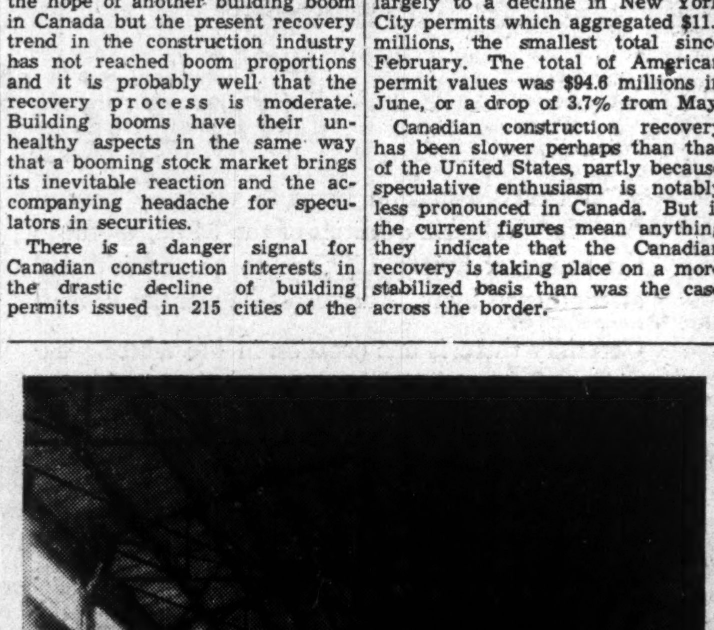
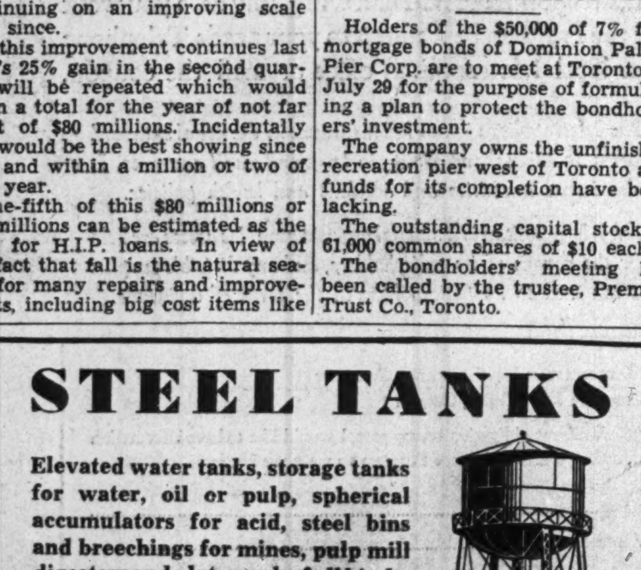


NEW FORD PLANT

Looking south along the 1,000-ft. length of the west craneway of the new $3.3 millions body manufacturing plant under construction at Windsor by Ford Motor Co. of Canada. Concrete floors are now being laid by a paving machine. It is expected that the building will be completed by fall. Craneways will run the full length of the plant on the west and east sides and each will be equipped with two electric travelling cranes which will span the 65-ft. widths. The entire building will be 1,000 ft. long by 571 ft. wide with nearly 14 acres under roof.



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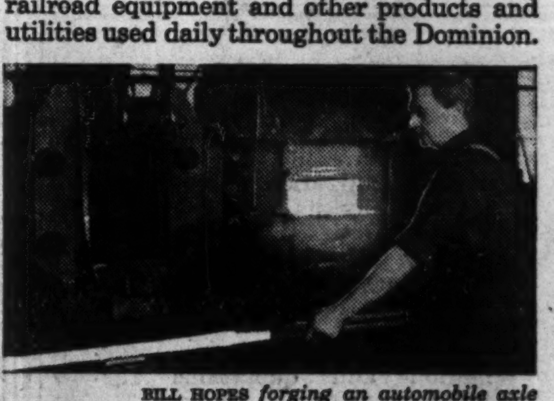
In the Merchant, Rail and Structural, Billet and Blooming Mills—back through Open Hearth Furnaces, Blast Furnaces and Coke Ovens, the "Men of Algoma" are putting their very best in technical knowledge and practical experience into the making of a good product.
It is a tribute to their skill that Algoma steel is used in such quantities in automobiles, buildings, bridges, docks and drainage structures, mining equipment, agricultural implements, household utilities, machinery, rails, railroad equipment and other products and utilities used daily throughout the Dominion.



BILL HOPES forging an automobile axle from Algoma steel in the plant of the Morrow Screw & Nut Co. Ltd., Ingersoll.
ALGOMA STEEL CORPORATION, LIMITED, Montreal—SAULT STE. MARIE—Toronto B.C. Agents: F. Drexel Co., Vancouver
ALGOMA STEEL

THE FINANCIAL POST

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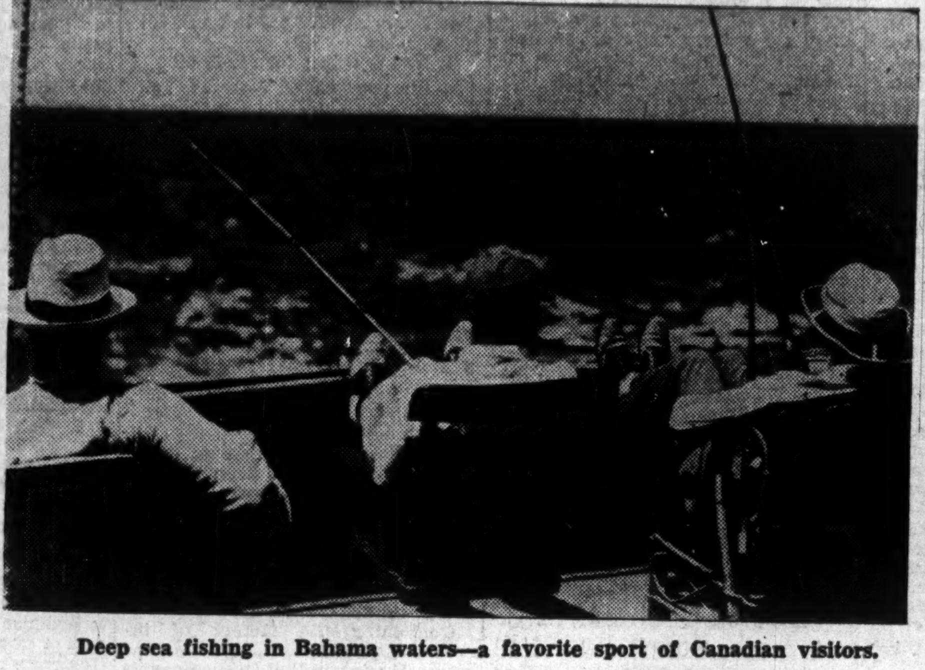
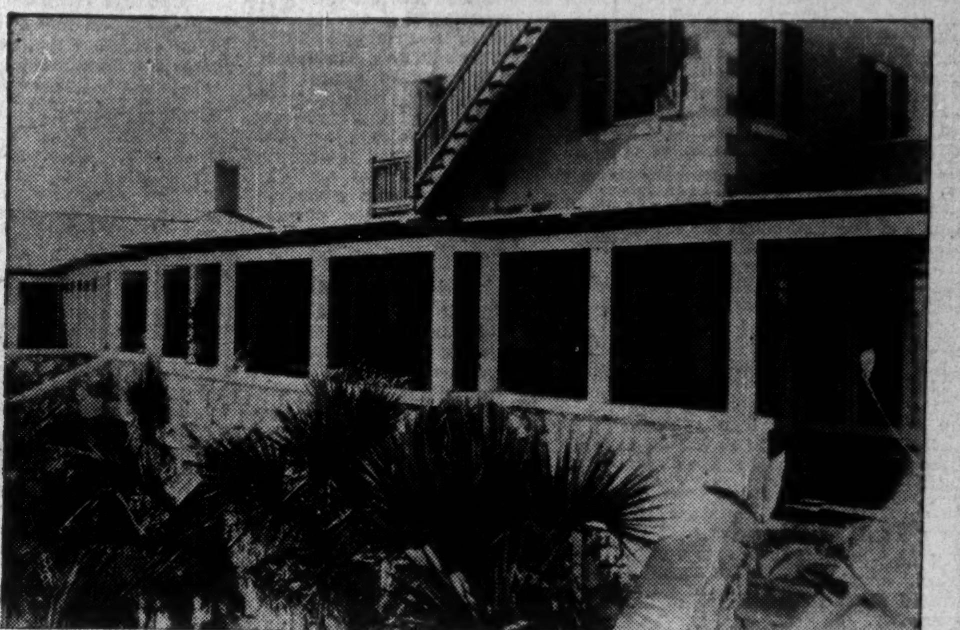
Canada's Tax Exiles in Nassau

The interior of Harry Oakes's home suggests spacious comfort.

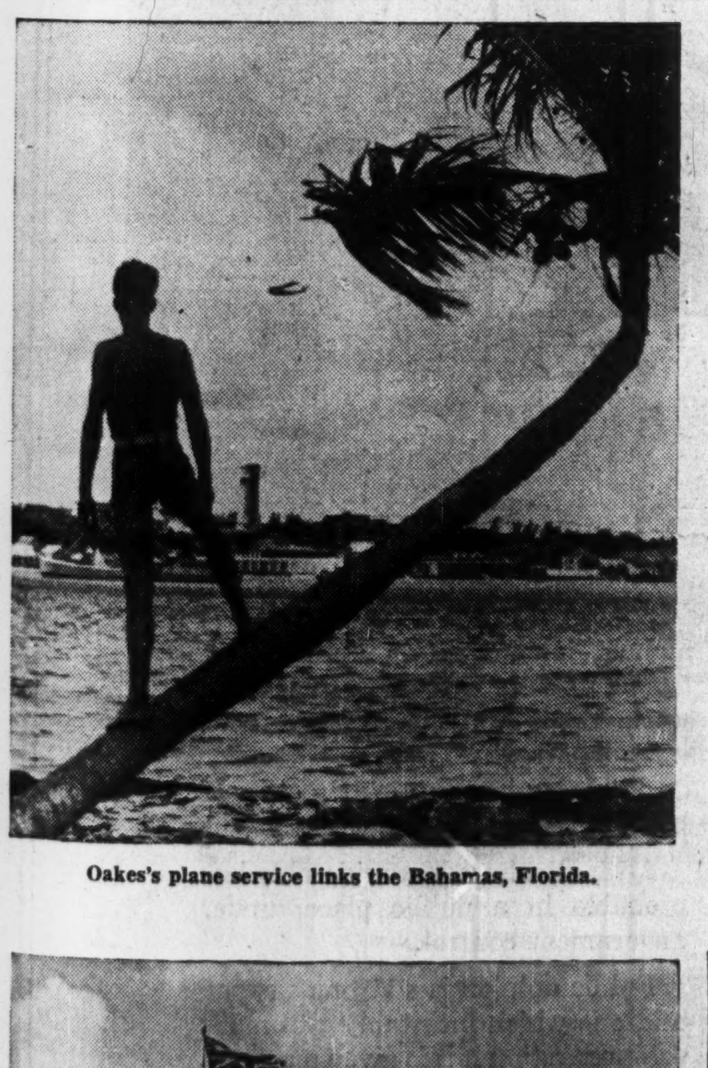


Deep sea fishing in Bahama waters—a favorite sport of Canadian visitors.



A section of Harry Oakes's home—Nassau's largest, total taxes are $192.50.

Architectural simplicity—a room in the Oakes's home.



Oakes's plane service links the Bahamas, Florida.

Maximum Property Tax of $192.50 and Freedom From Income Levy Attracts Canadians to Nassau

From Our Own Correspondent

NASSAU, Bahamas—Harry Oakes, Canada's No. 1 tax exile, is rapidly becoming Nassau's leading citizen.

The energy he used to expend in direction of Lake Shore Gold mines and other Ontario mining enterprises, he now devotes to an increasing number of enterprises in the Bahama Islands which have welcomed him without benefit of tax collectors. A few years ago he was a sort of Santa Claus to Niagara Falls. He now plays the same rôle in a different setting.

Oakes is the wealthiest of a distinguished group of Canadian, American and English ex-patriots whose recent domicile in the Bahamas has created a sizable real estate boom. Land considered worthless five years ago now brings millions.

The Bahamas have much to offer. A climate unequalled in winter is reasonably comfortable even in the rainy summer months. Temperature ranges all year round from a low of 64 degrees in the winter to a seldom passed high of 92 degrees in summer. In other words, the Bahamas claim all the advantages and none of the plagues associated with near tropical latitudes.

But when you add to nature's bounty almost complete tax relief, you create a land of dreams, a paradise which offers luxurious haven to an increasing number.

Maximum Tax $192.50

There is both a minimum and a maximum limit on the taxes that are collected. The minimum is a rental value of £30 a year. The tax rate is one shilling and three pence in the pound or a minimum tax of one pound, 17 shillings and sixpence. No Nassau residential property is ever appraised at a rental value of over 600 pounds a year. Hence Harry Oakes pays the maximum tax which is 37 pounds, 10 shillings, or $192.50. By the time his estate is landscaped it will represent an investment of several millions without any taxation increase. There is no income tax and no tax on undeveloped land.

In Toronto and Montreal, to say nothing of any other Canadian city, the owner of a $10,000 house would pay nearly double this tax without even considering income taxes.

In addition to his private estate Oakes has made other large land purchases. He bought an acre near Fort Montagu beach from the government for $50,000. Here he plans to establish a nursery for rare plants from all parts of the world. Last April he purchased St. Alban's Park, the only enclosed sports field on the island, which he plans to maintain for the use of the public.

He has even taken pity on the colored pedestrians. Natives formerly had to walk long distances to work on country developments. Three motor buses, built on his order in England, now provide transportation for a fare of two cents for every three miles.

Somewhat more ambitious is Oakes's aviation service. His fleet of airplanes is available for charter from island to island and make frequent trips to Miami and Palm Beach. This service has been instrumental in increasing the tourist business and in developing tourist trade in some of the near-by islands of the Bahama group.

Oakes's public service has already won recognition from his friend, Sir Bede Clifford, Governor of the Bahamas. He was first appointed a Justice of the Peace, and then a member of the Board of Works which controls all government property and building activities on the islands. It is believed that he will be a candidate for parliament when one of the seats for Abaco Island falls vacant in the autumn.

In sport, Mr. Oakes has made a novel contribution. He has built on his estate the first polo-golf course on the island. It is played with the same rules as ordinary golf, but the players follow the ball on slow horses. The game is designed for polo players who have passed the age for the more arduous game.

Harry Oakes's income is reputed to be $5.5 millions. Assuming that this is from mining stock and allowing for depletion, his income tax bill if he had remained in Canada would total $2,945,968, plus a further payment of $363,695 to the Ontario Government. He now pays only the non-resident tax of five per cent collected on all his income originating in Canada—a total of $275,000. In other words, his voluntary exile to Nassau saves him some $3 millions annually.

Winter Residents

Mr. Oakes is the outstanding representative of Canadians domiciled in the Bahamas. There is a much larger group of Canadians who spend the winter there, but are still citizens of Canada and Canadian taxpayers. At the top of this list is Sir Herbert Holt, still classed by many statisticians as the wealthiest Canadian. He owns a large estate adjoining the new winter home being built by C. H. Carlisle, president of the Dominion Bank. Others in the winter colony include Mrs. Ethel Small, first woman to be elected an alderman in Toronto; I. W. Killam, President of Royal Securities; Fred Beardmore of Toronto; Col. R. Ramsay, formerly of Edmonton; Col. Allan Prince of Bankers' Trust; J. E. Smallman; Sir Frederick Williams-Taylor, retired president of the Bank of Montreal.

The Bahamas have always gone in for the unusual in prosperity cycles. Nassau enjoyed its first boom as the headquarters of the notorious pirate Blackbeard. When piracy was put down wreckers followed. But prosperous salvage of the frequent wrecks along Bahamian reefs ended abruptly when the government erected lighthouses and warning buoys.

Depression which followed, the lighthouses continued until a spectacular industry developed with the American Civil War. High profits came from running the blockade with supplies for the Confederate ports.

Then for years Bahamians had to work for their money. By degrees a prosperous industry in sponge and turtle fishing developed. Hardwoods were exported, sisal fibre cultivated, salt made by sun evaporation. The war brought boom prices, but there was no slump after the armistice. Prohibition in the United States brought bootleg millions to the islands. In the rush of new prosperity the ordinary industries were almost forgotten. The depression, coupled with the repeal of prohibition gave the Bahamas a rude jolt. So Governor Clifford set about developing the tourist business. Wealthy Britishers, Canadians and Americans were induced to visit the islands. The Duke of Kent and other members of the Royal family vacationed in the Bahamas. Soon Nassau became one of the most exclusive and popular of winter resorts.

A Tax Paradise

The almost unbelievably low taxes proved a startlingly pleasant discovery to the visitors. Increased levies in Canada and the United States resulting from depression burdens made the appeal of Nassau the greater.

In the Bahamas they found a paradise where the political cry of "soak the rich" had never been heard, where an exactly opposite appeal was being made. Enquiry showed an exceedingly efficient government operating on a balanced budget, a public debt of approximately a million dollars, and an annual government revenue of $1,380,000.

Taxes collected were ample to meet the simple needs of a government not encumbered with expensive social services for a population of 60,000. Canadians remarked on the surprising absence of politics in government; on the lack of a railway problem.

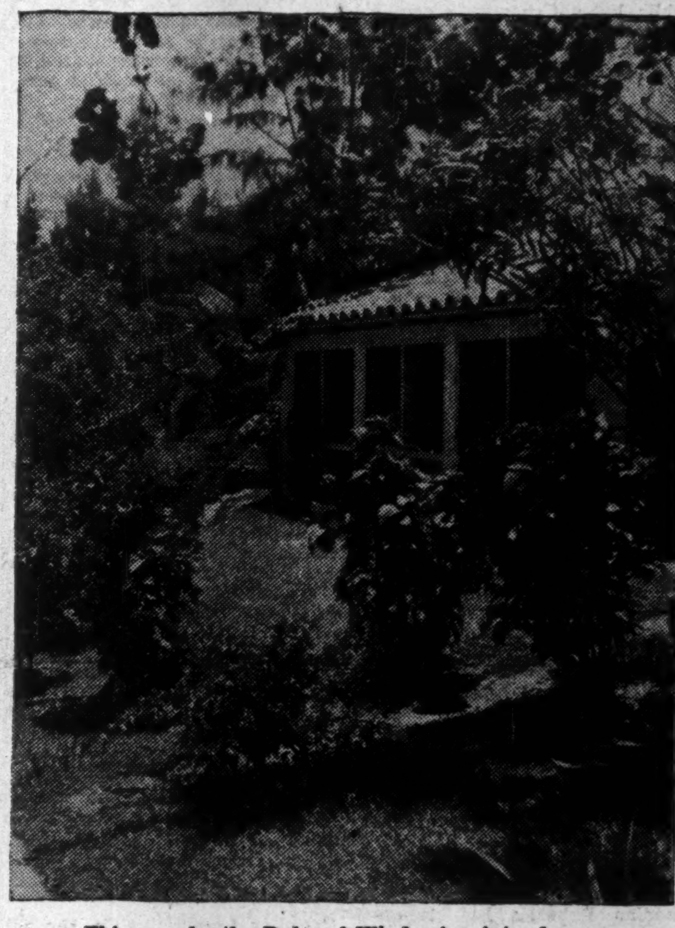
In addition to the tax on property they found a general customs tariff of 20 per cent with an Empire preference rate of 10 per cent, a straight revenue tariff levied on all imports, so simple that it could be computed without the aid of a customs broker. Canadians compared the two per cent succession duty levy with the complicated structure common in Canadian provinces. A $10 millions estate would pay $200,000 in the Bahamas, $3,335,000 in Ontario.

In the last five years there has been a remarkable growth in the winter colony. Americans predominate, with Canadians next, and the British group the smallest. While the authorities are doing all in their power to expand the tourist business, they exercise every care to select the type of permanent residents.

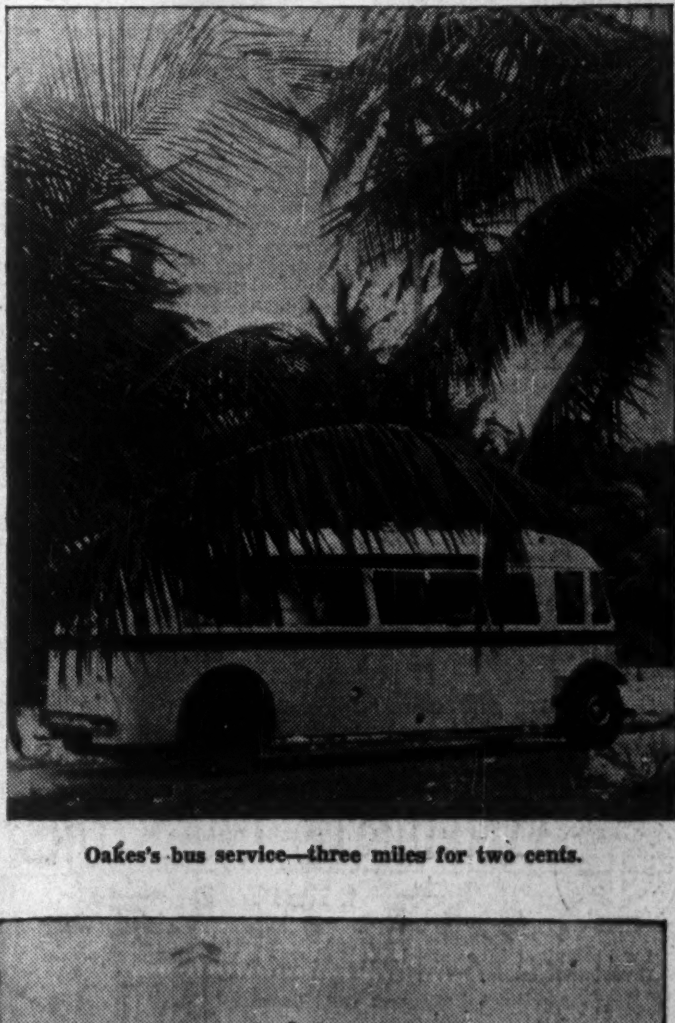
Immigrants Wanted

The government is now concentrating its efforts toward enlarging the British colony.

(Continued on page 11)

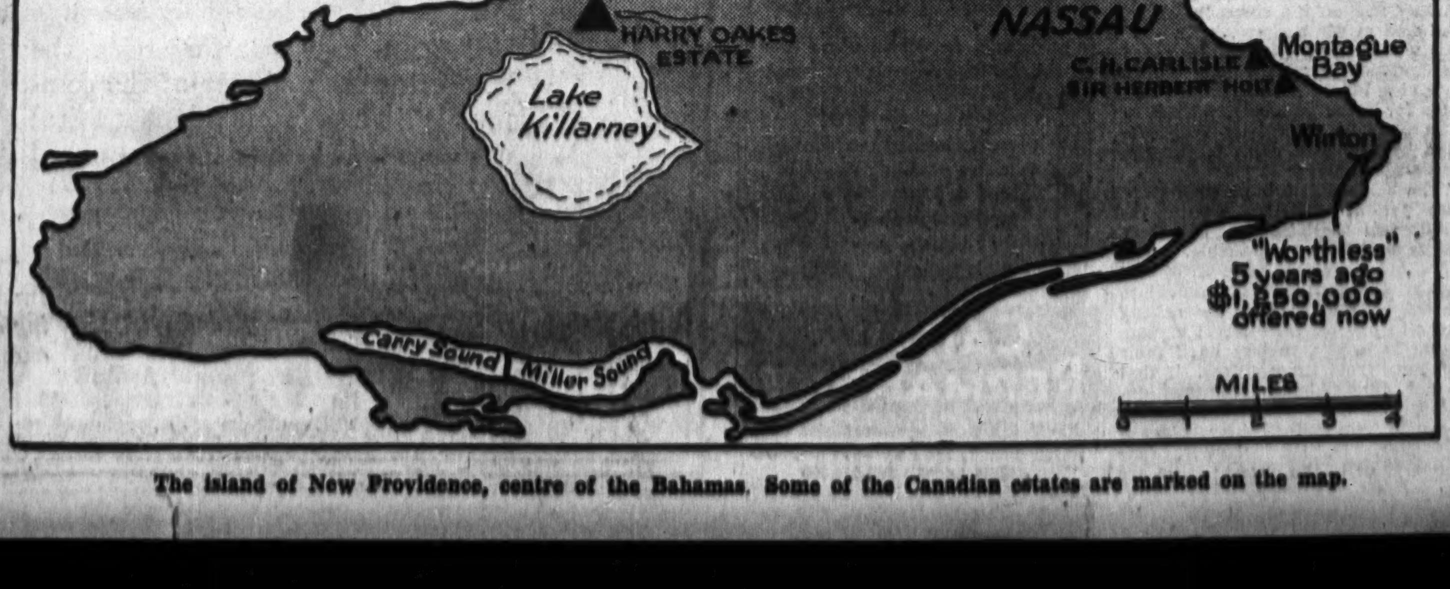


This may be the Duke of Windsor's winter home.

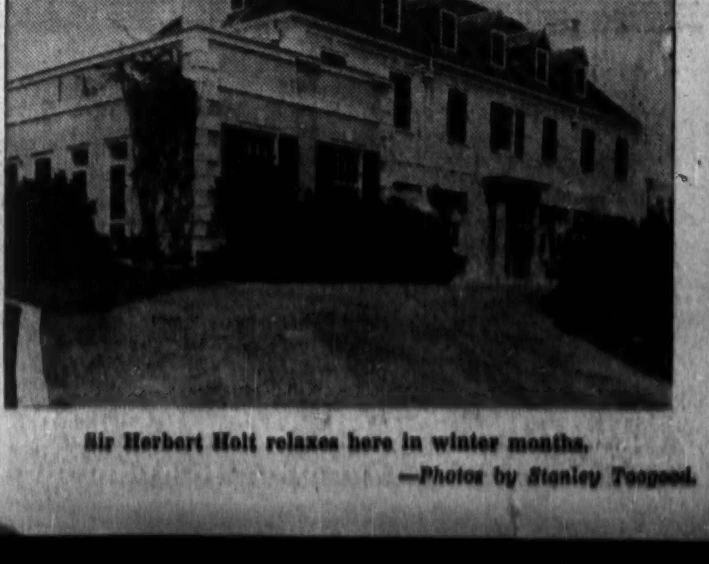


Oakes's bus service—three miles for two cents.

Fort Charlotte—soldiers' uniforms delight tourists.



The island of New Providence, centre of the Bahamas. Some of the Canadian estates are marked on the map.



Sir Herbert Holt relaxes here in winter months.

—Photos by Stanley Toogood.

Your Investments

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Western Savings & Loan

Can you give me an outline of the financial position of Western Savings & Loan Co. and the supervision that is placed on the sale of its investment certificates?

Western Savings and Loan Association at Dec. 31, 1936, had assets of $1,139,682 of which government bonds were $629,898. Other assets are largely mortgage loans, cash and loans on certificates. At the end of 1936 there was a surplus of $252,095 in favor of certificate holders. Western Savings and Loan has been in operation for the past 10 years and operates under the supervision of the Municipal and Public Utility Board of Manitoba. The board supervises the sale of the association's savings certificates. Investments are restricted to bonds issued or guaranteed by the Dominion or provincial governments or municipalities and first mortgages. The association can also invest in the securities of a loan company whose investments are restricted to those permitted to the association itself.

Holland Coal Co.

I am thinking of buying some stock of Holland Coal Co., but would like a brief analysis of the company.

Holland Coal Co. is a comparatively unprominent unit in the business in Toronto. The company has issued a circular offering shares to the public, but not showing a complete financial statement and earnings figures. In view of the competition in the business, and the fact that investments in young ventures are more risky than in established businesses, you might do better in more seasoned securities.

East York Debentures

Can you give me the approximate market for debentures of East York township? I would also appreciate some indication of the present position of the township.

East York debentures are quoted at approximately 55 bid. Work is proceeding on a refinancing plan for the township, but so far has not gone quite far enough to have decided on the rate of interest which will be offered to debenture holders. We are informed that some time ago a rate of 3% was proposed, but there is a possibility that this will be increased somewhat when a plan is finally completed. Even supposing that a 3% rate is finally decided on, you would be receiving a yield of approximately 5½% based on the market value of 55. When refinancing is completed you probably will be offered new debentures for the same principal amount as at present but with some reduction in interest rate.

Canadian Bakeries

How are earnings for Canadian Bakeries? Is there a prospect of increased value for the first preferred?

Canadian Bakeries Ltd. is expected to show a profit this year, after all charges, compared with a loss of $11,000 after bond interest and depreciation in the year ended Aug. 31, 1936. As yet, it is not certain how large a profit will be shown or whether dividends will be resumed on the 7% first preferred which are now in arrears $41.75 a share. The value of the shares depends to a large extent on future dividend policy, which, in turn, depends on earnings. If the full 7% dividend could be resumed, without considering the arrears, the stock would be rated higher.

York Township

Please give me particulars of the position of York township bonds which I see are quoted below 70.

Plans for refinancing York township are rapidly nearing completion. The township has had some improvement in its financial position recently and for 1936 had a surplus of approximately $130,000 on ordinary account. Default on principal maturity first occurred Oct. 1, 1933, but full interest was paid to Feb. 1, 1935. Since that time 3% has been paid on account. Past due principal and interest amounted to $4,860,570 at Dec. 31, 1936. It is probable that the refinancing plan will require some reduction in interest rates but it is not expected that any change will be made in the principal of outstanding debentures. Maturities would be extended to permit the township to place its affairs on a sound basis. You will note that even if the final interest rate on new debentures to be issued under the refinancing plan is set at, say 4%, it would still provide an attractive yield on the basis of the present market for these bonds.

Canada Bud Breweries

Kindly let me have a report on Canada Bud shares, as to dividends and prospective market value.

Canada Bud Breweries Ltd. showed earnings of $1.12 a share last year, and paid dividends of 80 cents. This year, the company has already paid 40 cents a share, and subsequent payments will depend on earnings. Capital consists entirely of 150,000 common shares. Operations are largely in Toronto. Beer sales have been increasing in Ontario this year, and Canada Bud has been getting its share. At present prices, the shares yield approximately 10%, and the question of whether they are likely to appreciate in value depends largely upon whether public investment opinion is likely to change to the view that the yield on the shares should be lower. Of course, one reason for public scepticism on liquor and beer shares is that they are subject to strict government regulation.

York Knitting

Kindly give me particulars of York Knitting Mills earnings and capital with regard to the new bond issue, as I am thinking of investing in the bonds.

Earnings of York Knitting Mills for the past five years have been ample to cover maximum interest requirements on the new bonds. In 1936 the amount available for bond interest was $257,992 while annual interest requirements on the new issue will be $42,000. This bond issue was put out in connection with consolidation of York Knitting Mills and its subsidiary, Zimmerknit Co. The result will be a simplified capital consisting of the $1,000,000 bond issue, $150,000 of 7% first preferred stock, $300,000 of 7% second preferred and 229,012 shares of common. Although earnings indicate that this company will be able to cover comfortably interest charges on its bonds, it should be remembered that the textile industry in Canada has always been subject to tariff uncertainty.

Canadian Locomotive Co.

I would like some information on Canadian Locomotive Co. that will allow me to arrive at a decision as to whether or not the stock is undervalued at present.

Canadian Locomotive Co. showed earnings last year covering about four-fifths of annual bond interest, before depreciation. The company wrote off the net earnings of $52,517 to depreciation account, and paid no interest, leaving the bonds in arrears from Jan. 1, 1934. By the end of this year, interest will be in arrears 24%. In other words, there is about $250,000 to pay which would absorb most of the company's earnings even in a very good year. The immediate prospects for the common shares, therefore, appear dubious. The company's capital has been greatly reduced, and at the end of 1936 the balance sheet showed a net equity of $14.03 per share for the common. On the other hand, there have been no earnings on the common stock since 1930. This year's results are likely to show improvement, as the company has orders for 23 locomotives, whereas in 1936 it made only seven locomotives. For several years preceding 1936, it had to depend entirely on business in mining machinery and replacements.

It is hard to say whether the common shares are reasonably valued, as there is no prospect of income until bond interest and arrears have been paid.

United Steel Corp.

Kindly give me a report on United Steel Corp. common shares for investment purposes.

Earnings amounted to approximately eight cents a share on United Steel Corp. common last year, a large part of it realized from the controlled company, Standard Steel Construction. This year, we understand, these firms have a large volume of business on hand, and there may consequently be some improvement. Standard Steel has some arrears of preferred dividends to clear off. Working capital of the combined companies is good and dividends could be paid on the common if this year's larger volume results in a substantial improvement in earnings. A point for you to consider is that the number of outstanding common shares, which is now 374,381, may be increased to a total of 461,881 this year by conversion of the last 2,500 shares of class B preferred stock. United Steel is enjoying substantial recovery from the depression, but the results of operations under the present set-up are rather brief for the investor to form a judgment of the long-term possibilities.

New Toronto Debentures

Can you give me some information as to the position of the town of New Toronto and prospects for a refinancing plan?

At present, the Ontario Department of Municipal Affairs is collecting information on which it hopes to base a refinancing plan for the town of New Toronto. These figures are not yet complete and the Department cannot forecast what rate of interest will be allowed on the new debentures. The Department hopes to have this refinancing completed before the end of 1937. New Toronto is in default as to both principal and interest and has not been making any interim payments on account. Some time ago a refinancing plan was worked out by the Debenture Holders' Protective Committee, which called for full payment of interest and principal on the town's debentures. Maturity dates were to be extended for four years. This plan met with opposition on the part of the Town Council as well as the Ontario Municipal Board. We understand that the Department of Municipal Affairs is making every effort to complete refinancing for as many of the defaulted Toronto suburban municipalities as possible this year and that New Toronto is scheduled to be among the early plans.

National Sewer Pipe

Will you please give me information of National Sewer Pipe class A stock regarding restrictions on creation of senior securities, whether the company has had to draw on reserves to meet deficits, and whether the company was profitable prior to 1929? I would also appreciate your comments on the outlook for the company.

National Sewer Pipe Co. cannot create bonds or additional preferred shares senior to or equal to the class A stock without the consent of the majority of the shareholders. The company can, of course, borrow as it needs on bank account, but has not been doing so. While there are various ways of calculating that the company has drawn on reserves, we would point out that since 1930, working capital has only dropped from $951,000 to $895,000, although in that time the company's surplus has been turned into a deficit, the net change on this account being $300,000, or about $11 a share for the class A stock.

For the years 1925 to 1928 the constituent firms showed combined net profits ranging from $140,000 to $267,000 annually. The prospects for National Sewer Pipe depend upon improvement in private house building or municipal sewage extensions. As yet, this has not been very pronounced, but the company is in good financial position to take part in any improvement.

Investment Fund Pays Five Cents

Hon. C. C. Ballantyne Elected Chairman of Board

From Our Own Correspondent

MONTREAL. — Reflecting improvement in its income, Canadian Investment Fund has declared a dividend of five cents a share on its special and ordinary shares, payable Aug. 2 to shareholders of record July 15. This is an increase of one cent, or 25%, over the previous quarterly payment.

While Canadian Investment Fund pays quarterly dividends regularly the amount distributed varies with earnings. It is the policy of the company to distribute each quarter whatever earnings are available. The larger declaration payable Aug. 2 is due to increased semi-annual dividends received on some of the fund's securities. Earnings, The Financial Post is informed, are about 25% ahead of last year.

1937 Payments Higher

The Aug. 2 dividend brings the total dividend payments in 1937 to 15 cents a share, compared with 12 cents a share in the corresponding period of 1936.

Hon. C. C. Ballantyne has been elected chairman of the board of directors in succession to the late Sir Robert Borden. Hon. Mr. Ballantyne has been vice-chairman and is a director of Canadian Industries Ltd., National Breweries Ltd., Canada Cement Co., Montreal Locomotive Works, Bordens Ltd. and Royal Trust Co.

Abitibi Shareholder's Plea

An English investor in Abitibi Power & Paper Co. writes:

"As a shareholder in Abitibi Power & Paper Co., I am much disturbed by the various proposals that are being put forward for the reorganization of the company. I have held the 7% preferred stock since 1913 and also own over 300 common shares. In the three schemes put forward, I see it is always the intention to take from the preferred shareholders of both classes their supposedly cumulative preferred shares and force them to take common stock, and thereby do away entirely with all the preferred, while enormously increasing the number common shares and thereby lessening their value.

"The eventuality of receiving dividends on the common may be almost relegated to eternity.

"I heartily endorse the belief that if the company were left alone it would probably next year or a little later work out its own salvation and pay everyone what was their due, without the expense and injustices included in plans of reorganization. The shareholders have suffered terribly in the past seven years and now when the industry is on the verge of great profits, to have the long-awaited recompense torn away seems too bad.

"I may say that of all the plans put forward I prefer that of The Financial Post published in the issue of May 29, although it includes for the present shareholders the disagreeable necessity of supplying more money. I think your views ought to be given more prominence as they are by far the most equitable thing.

"I have been advised to sell both my 7% preferred and common shares before they are forcibly taken from me. I see the price of both preferred and common has fallen back on the mere publication of the reorganization proposals and will fall still farther if the plans proceed. I am wondering whether I ought to follow this advice."

The shareholder's problem in dealing with such investments in Abitibi is most difficult. The 7% preferred and the 6% preferred are more favorably situated than the common, and a compromise solution would be to sell the common and retain the preferred. Yet that is unsatisfactory in cases where there is a heavy loss on the common which once sold at $85 a share.

It would take $15 millions for shareholders to rescue their equity by paying bond interest arrears, and more for other purposes. The situation remains essentially that outlined by The Post eight weeks ago in these words:

"The bondholders have been more than patient and they should receive full satisfaction of their claims as early as possible. The shareholders should have an opportunity to settle the immediate claims of bondholders by raising funds to pay off all interest arrears—that is to say, to buy back their company from its creditors. If that is not done, bondholders are entitled to dictate the terms of reorganization under their blanket mortgage. If, for instance, new bonds prior to the present issue are created to raise new capital for the enterprise, and if other claims of bondholders are modified, it is only fair that bondholders should receive a substantial claim on new equity securities as compensation for their loss of priority. In that event, shareholders could only expect to receive equity securities for their claims.

"Even supposing that the company is recognized under the aegis of bondholders, the priority of the 7% preferred stock should be recognized ahead of the 6% preferred, and the latter ahead of the common, in distributing new shares after the bondholders have been satisfied. In fact, unless the 7% preferred and the 6% preferred claims are met in full, the common is not entitled to anything except that it might be good policy to give them a small equity to avoid litigation.

"If shareholders want to keep their claims intact, then, they should be prepared to raise the money to restore the bonds to good standing. If that were done, the company could be removed from receivership without necessarily reorganizing the whole capital structure. The 7% preferred would retain title to its full claims. So would the 6% preferred. And the common shares would still have their chance of sharing in the future prosperity that is forecast for the company. Something of that kind was done in the case of Price Bros. & Co. In the Abitibi situation, such financing through shareholder groups might provide the solution for what otherwise promises to be a long and costly controversy.

Investment Analysis

International Petroleum

Earnings Improve in Past Year by Higher Production and Prices — Shares Yield 7% — Outlook Favorable for Next Year

International Petroleum Co. closed its year on June 30, and although definite particulars of net profits will not be available until fall, there is no doubt that marked improvement in earnings will be shown.

The company's gross revenues were improved in the past year from two important developments:

1. Increase of about 2,000,000 barrels, or about 6.6% in crude oil production.
2. Rising prices for crude oil.

In the year ended June 30, 1936, the company showed net profits of $24 millions or $1.65 a share on production of 32.7 million barrels of crude.

Monthly totals indicate that the past year's crude production was about 34.7 million barrels. In June the company established a new record with production of 2,941,201 bbls. in Peru and Colombia for a daily average of 98,040 bbls., the highest on record.

The company's capital consists of 200,000 preferred shares and 14,324,088 common shares which rank equally as to earnings.

Crude Prices Rise

The first large increase in crude oil prices in the last year came in January, 1937, and was therefore effective for less than six months of the company's year. As another increase developed about a month ago the outlook for next year's earnings is good provided present production and prices are maintained.

Combining the factors of increased production and higher prices, it appears that the company's earnings should have shown an increase of 11% or more in the year ended June 30. If this improvement was carried largely to net profits, as would be expected in view of the stability of operating costs, it would bring the net close to $1.90 a share.

The company continues to pay regular dividends at the annual rate of $1.50 a share with extras of $1 a share.

The question that puzzles many investors is how payments of $2.50 a share can be continued when the company's statements show earnings of $1.65 a share, or even if the latest year's earnings are $1.85 to $1.90 a share.

Company's Accounts

The answer lies largely in the company's accounts. There is ground for the contention that the company is really earning the full payments of $2.50 a share. The basis for this appears in the following:

Income and Surplus Account
Years Ended June 30

	1936 $	1935 $
Operating profit	27,260,595	26,754,069
Less: Fees, salaries ..	299,760	275,006
Deprec., depletion ..	4,531,701	4,574,443
Amortization	2,395,354	2,463,896
Net oper. profit	20,033,780	19,260,724
Add: Inv't. income ...	2,491,853	1,971,493
Profit on securities.	1,814,500	767,284
Less: Minority interest	316,376	332,965
Net profit	24,023,757	21,666,536
Less: Pref. divds.	496,404	454,348
Common divds.	35,552,688	32,540,607
Deficit for year	12,025,335	11,328,419
Net working capital..	55,548,314	57,442,912

It will be noted first that a deficit of $12 millions is shown after dividends of $2.50 a share. In contrast, however, it is also revealed that working capital was reduced last year by the relatively small amount of $1.9 million.

The answer to this seeming discrepancy lies partly in the deductions from earnings for depreciation, depletion and amortization.

Write-offs, Life Expectancy

These deductions, which totalled $6.9 millions last year, are largely of nominal character as the company has already written down its fixed assets from $156.6 millions to $55.7 millions. That is, the balance sheet is conceded to be a historical record showing what was paid for things, less huge write-offs, whereas actual values are greater than those shown. Hence the further annual write-offs are regarded as book entries, and a large part of the "deficit" may be considered as a sort of accountant's fiction.

If the earnings for the year ended June 30, 1937, are as large as $1.85 or $1.90 a share, the company may still show a deficit but might well have an increase in its net working capital.

At 35 the shares yield slightly over 7% which is regarded by many investors as a suspiciously high return. It may be noted that as an oil producer the company depletes its assets and some part of dividends should therefore be treated as return of capital. In this way, the 7% yield can be divided arbitrarily as 5% income and 2% return of capital. At that rate it would take 27 years of the present dividend rate to restore the capital invested if the 2% were reinvested annually at a 4% interest rate.

It is difficult to say whether the company's properties will continue to produce crude oil at the present rate or at a higher rate for 27 years. However, new exploration is being undertaken, and in the oil fields now being operated in Colombia and Peru the company has the advantage of complete control. This allows the most economical production, in contrast with many American oil fields where the neighboring wells are like so many straws in one glass, and International Petroleum's oil properties therefore appear to have greater than average life expectancy.

Victoria Manor Apts. Increases Revenues

Revenues of Victoria Manor Apartments, Windsor, increased in 1936 as compared with 1935, according to the statement of revenues and expenditures prepared by the London & Western Trusts Co., receiver and manager. Total tax arrears were $6,267 at Dec. 31, 1936, on which accumulated penalties were $411.

The building was approximately 100% rented throughout 1936 and rents were raised in October. A further increase in rentals is expected this fall.

Interest on the $118,000 bond issue has been in default since July 21, 1930, and the receiver points out that no payment can be made until all taxes are paid unless a sale of the property can be arranged. No firm offers have been received during the year.

Receipts and Disbursements
Years Ended Dec. 31

	1936 $	1935 $
Revenue	11,266	9,855
Less: Taxes	3,545	2,709
Insurance	58	341
Repairs, etc.	2,950	2,154
Heat, gas, hydro	2,746	2,990
Janitor's supplies ...	960	960
Cleaning supplies ...	56	109
Telephone	59	59
Furniture & fixtures	......	45
Misc. expense	225	205
Net revenue	669	383

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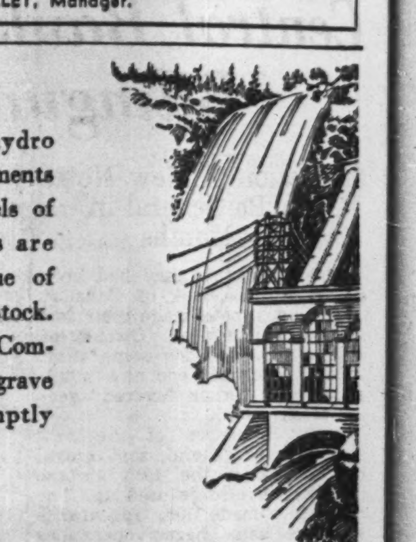
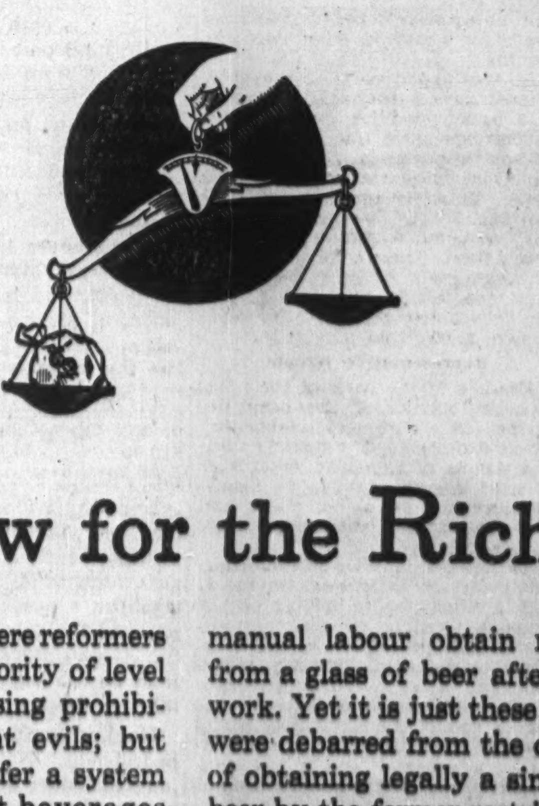
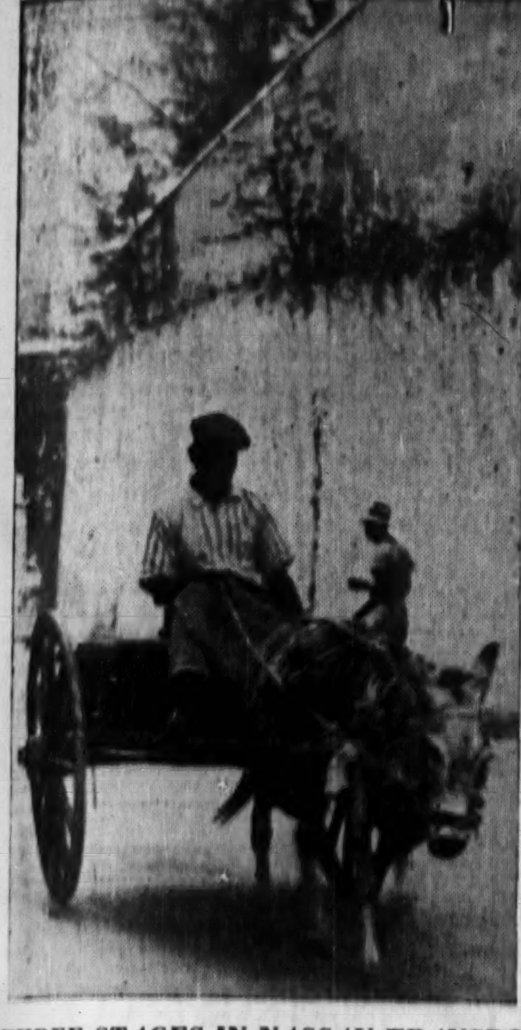
Canada Permanent Debentures are a favorite security of many thousands of experienced investors. Issued for $100, and upwards, bearing the following attractive rates:
for 1 or 2 years - 3 %
for 3 or 4 years - 3¼%
for 5 years - - - 3½%
A legal investment for trust funds.
CANADA PERMANENT Mortgage Corporation
HEAD OFFICE: 320 BAY ST., TORONTO
ASSETS EXCEED $68,000,000

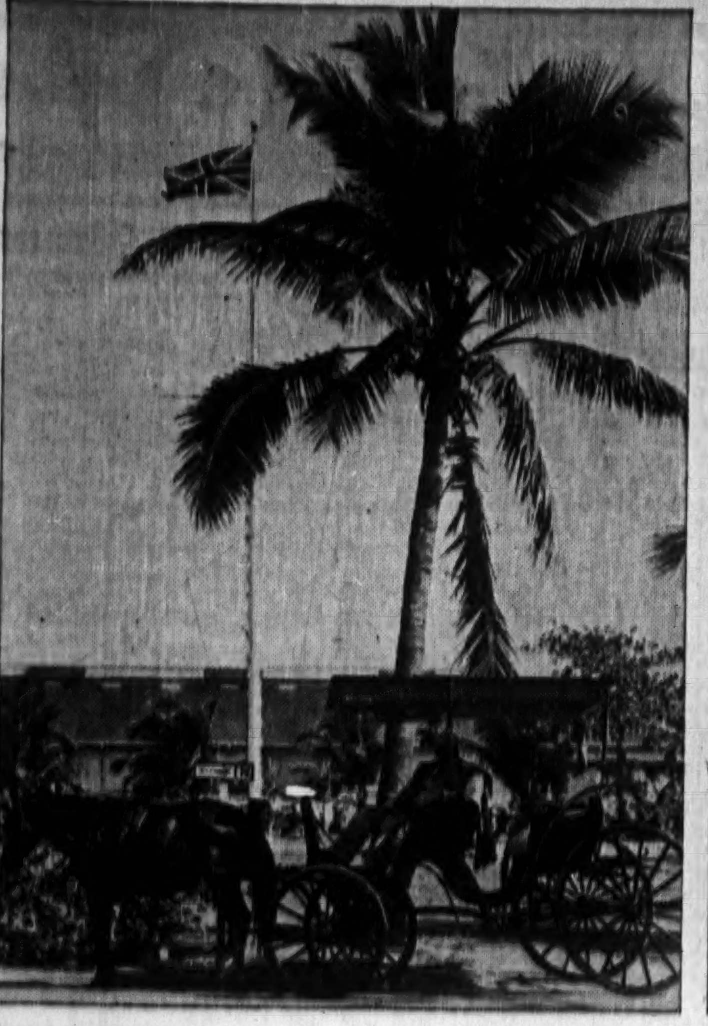
We Offer
Canadian Northern Railway Company
3½% Registered Stock
Due July 20, 1958
Price: 99.50 and accrued interest, to yield about 3.53%
Payment of the Principal and Interest of these securities is unconditionally guaranteed by the Government of the Dominion of Canada.
DOMINION SECURITIES CORPORATION LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

CONTINUOUS — RELIABILITY
The EASTERN TRUST CO.
REGISTRAR — TRANSFER AGENT
EXECUTOR — TRUSTEE
Head Office: Halifax, N.S.
Branches—Montreal, P.Q.; St. John, N.B.; Charlottetown, P.E.I.; Moncton, N.B.; Saint John's, Newfoundland; Toronto, Ont.
TORONTO OFFICE: 330 BAY ST.
H. C. OXLEY, Manager.


CANADA'S great hydro electric developments which turn the wheels of thriving industries are financed by the issue of bonds and capital stock. This Old Canadian Company is equipped to engrave such securities promptly and efficiently.
BRITISH AMERICAN BANK NOTE COMPANY LIMITED
HOWARD W. PILLOW, President
CHARLES G. COWAN, Vice-Pres. & Man. Dir. — G. HAROLD BURLAND, Sec.-Treas.
HEAD OFFICE : OTTAWA
262 Wellington Street
511 Place d'Armes, MONTREAL — 1110 Bank of Hamilton Bldg. TORONTO


One Law for the Rich . . .
THERE are perfectly sincere reformers who agree with the majority of level headed people in opposing prohibition, with its attendant evils; but who are inclined to prefer a system whereby brewed malt beverages could only be obtained in sealed cartons after the purchase of a permit.
These people, we are sure, all have comfortable homes where they can entertain their friends. For them, also, the price of a permit means as little as the price of a glass.
But are they not forgetting the less fortunate members of the community? There is abundant medical evidence that those engaged in hard manual labour obtain real benefit from a glass of beer after the day's work. Yet it is just these people who were debarred from the opportunity of obtaining legally a single glass of beer by the former restrictions.
After all, abuse is considerably less probable in a public place, under government control.
Public opinion is a strong weapon and one which inevitably will make for moderation if it is given a chance.
That after all is the British way! Just as it would be against the British tradition to withhold from the poor, privileges that are accorded to the rich!
● *This advertisement is inserted by the Brewing Industry in the interest of a better public understanding of certain aspects of the problems of temperance and local option.*





THREE STAGES IN NASSAU TRANSPORTATION

Transportation evolves slowly in the Bahamas, the latest tax paradise. The donkey cart goes back to the days of the Spaniards. Motor cars now crowd the streets but the tourists love to hire fresh air cabs. At the right, an immaculate conductor at the door of one of Harry Oakes's buses, the newest land transportation in the Bahamas. The buses, Harry Oakes's contribution, operate at a fare of two cents for three miles. Natives used to walk to work on the large country estates.

Banking

Central Bank Issues Bilingual Currency

Circulation of New Notes May Be General in Six Months

Somewhat earlier than had been anticipated, the Bank of Canada's new bilingual notes made their first appearance this week. Circulation will be restricted for some time, however, and they are now available only at certain favored agencies of the bank.

Before circulation of the new issue becomes general, the central bank's stock of the 1935 vintage notes will have to be used up. The notes which made their appearance when the bank began operations two years ago were printed either entirely in English or entirely in French. Very few of the latter made their way beyond the French-speaking districts, however. The new notes combine the two languages, with English on the left and French on the right. It is expected that all denominations will be in circulation in the course of six months.

Same Size

All notes, which have been issued in denominations of $1, $2, $5, $10, $20, $50, $100 and $1,000, are exactly the same size as those now in circulation, approximately six inches by two and seven-eighths. All have the same general design, although each denomination varies in regard to placing of border lettering or denomination figures, and also in the style of the corner pieces. All except the $100 and $1,000 bills carry a portrait of King George VI in the centre of the face side. The $100 note bears the likeness of Sir John A. Macdonald; the $1,000, one of Sir Wilfrid Laurier.

Reading from top to bottom, the notes include the name of the bank, under which appear the words, "will pay on demand." Then, just below the portrait, comes the denomination in bold white lettering with a black background. Next is the date, and, at the bottom, facsimile signatures of the governor and deputy governor.

The notes bear the date Jan. 2, 1937, more than six months before they actually make their appearance. Newly printed notes are "green." If circulated they would wear out relatively quickly and would tend to smear. Hence, the new notes are stacked in maturing ovens for a period of at least six months.

In the upper part of the face, colored rays have been introduced as a background for the new bills. In corresponding tint, the denomination appears in the signature panel in the lower portion of the note. This background and all printing on the back of the notes vary in color according to the denomination. These colors are as follows: $1, green; $2, sanguine (red to most people); $5, blue; $10, purple; $20, olive; $50, orange; $100, sepia brown; $1,000, rose pink.

Representative Groups

Feature of the back of the notes is what officials of the bank describe as "allegorical tableaux." These are designed to portray various phases of Canadian enterprise. It is of interest that female figures considerably outnumber males, and also that three of the groups relate to agriculture.

The scenes depicted on the different notes are as follows: On the $1 bill, a female figure holding on her knees a rake, hoe and fork, personifying agriculture; on the $2, a female figure, sickle in hand, seated in front of an overflowing cornucopia, emblematic of harvest; the $5, a male figure seated on a dynamo, with background of mountains, a waterfall and power dam, representing electric power; the $10, the fixture of Mercury, with background representing travel by water, rail (steam and electric) and air; the $20, a female figure with sickle in hand, amidst the products of field and orchard. On the $50, a female figure depicting modern invention as expressed in radio broadcasting; on the $100, a male figure showing a child, a miniature ship, with harbor scene and blast furnace in the background, typifying commerce and industry; the $1,000, the figure of a mother, sword in hand, shielding her child, symbol of security.

Bank of Canada Weekly Statement

Balance Sheet

	July 14 1937 $	July 7 1937 $
Liabilities		
Capital paid-up	10,100,000	10,100,000
Notes in circ.	136,176,959	135,600,846
Rest Fund	743,716	743,716
Dept. Dominion	13,746,809	12,232,743
Banks	184,391,396	183,987,107
Other	559,567	666,292
Total deposits	198,696,772	196,886,142
All other liabs.	1,753,898	1,865,771
Total liabs.	347,474,345	345,396,475
Assets		
Reserve: Gold	181,498,643	181,523,588
Silver bullion	2,484,236	2,475,612
Res. in sterling and U. S.	18,881,318	17,462,320
Other curr.	1,230	3,805
Total reserve	202,865,427	201,465,325
Subsidiary coin	189,040	202,101
Investments:		
Dom. govt. short	34,084,359	31,086,637
Other Dom. govt.	96,692,229	97,844,687
Other secs.	10,009,715	10,012,205
Total invest.	140,786,303	138,943,530
Premises	583,284	574,910
All other assets	3,050,291	4,210,609
Total assets	347,474,345	345,396,475
Reserve ratio	60.57%	60.55%

Appointments Made By Royal-Liverpool

The Royal-Liverpool group of insurance companies announces the following appointments: F. L. Flight to be assistant secretary; J. W. Dooley to be superintendent of the Montreal city department; R. A. Musy to be agency superintendent for eastern Ontario and Quebec; H. W. Bell to be superintendent of the service department for eastern Ontario and Quebec; W. R. Macready to be chief clerk in the casualty department, Montreal; W. J. Hanley to be fire underwriter for eastern Ontario and Quebec. All appointments apply to the Royal-Liverpool group as a whole.

FIDELITY
Insurance Company
of Canada
TORONTO

NOTICE

Notice is hereby given that Affiliated Underwriters has received Certificate of Registry No. C-428 from the Department of Insurance, Ottawa, authorizing it to transact the business of Automobile Insurance, excluding insurance against loss by reason of bodily injury to the person, in addition to the previous classes of insurance for which it is registered.

V. W. GERRISH,
Chief Agent for Canada.

June 29, 1937.

The
Wawanēsa Mutual
Insurance Company
Canada's Largest Fire Mutual

A leading All-Canada Company — in volume; in strength; and in service to "select" property-owners and agents.

Home Office, Wawanesa, Man. Eastern Office: 341 Church St., Toronto. Branches in Vancouver, Edmonton, Winnipeg, Montreal, Moncton.

FIRE, WINDSTORM, AUTO, CASUALTY

Bank Chat

Anniversaries

Seventy years ago this month, Canada's oldest bank opened its first branch in Canada's oldest incorporated city. In tracing the history of the Bank of Montreal in Saint John, the Telegraph-Journal notes that what is now one of the financial centres in that city was once the centre of fashionable society. The bank occupies the site on which stood a famous old coffee house almost a century ago, a site once offered for sale for a Spanish doubloon and a gallon of Jamaica rum.

The story calls to mind that the Bank of Montreal this year celebrates its 120th birthday. On June 23, 1817, nine merchants in Montreal, then a thriving trading post of some 20,000 persons, founded the bank. Business was begun in November of the same year in modest, rented premises, and with paid up capital of $350,000.

Establishment of the bank did much to clear up the muddled conditions under which trade was carried on. The country could not afford a currency of its own, with the result that a variety of currencies became acceptable. American, British, French, Portuguese and Spanish coins were commonly circulated, with rates of exchanges which fluctuated frequently and substantially.

• • •

Made Money

Latest currency expansion programme to be reported is that of an optimistic Englishman who set up a one-man opposition to the Bank of England. His is a weird type of forgery—if such it can be called. He issued his own money. But he made no attempt to copy notes already in circulation.

The rather crude bills were issued pending the day when King Anthony I would occupy the throne of Great Britain. King Anthony himself, who claims to be a Tudor pretender to the throne, printed the notes. Each was inscribed "Specimen currency, Royal Mint of England, one pound."

Hailed into court last week, Anthony glibly stated that he did not sell the notes. He merely issued them, and supporters of his cause subscribed for them, no doubt in the sincere expectation that their loyalty would be repaid when he became king. Unfortunately for his kingly aspirations, the magistrate was not listed among his supporters. His fine must be paid in currency issued by his opposition.

Staff Changes

The Royal Bank has announced the following changes in staff:

R. H. MAWHINNEY, formerly accountant at Calgary, to be manager at Victoria West, B.C.

R. WHITE to be manager at Plymouth, Montserrat.

G. T. GREGORY, formerly manager at Climax, Sask., to be manager at Cookstown, Ont.

J. A. McKENNA, formerly manager at Bear River, to be manager at Inverness, N.S.

H. BAINES, formerly of the supervisor's department, Calgary, to be accountant at Lethbridge, Alta.

W. C. LOWRY to be inspector at Sao Paulo, Brazil.

Nassau's Climate, Taxation Attracting More Canadians

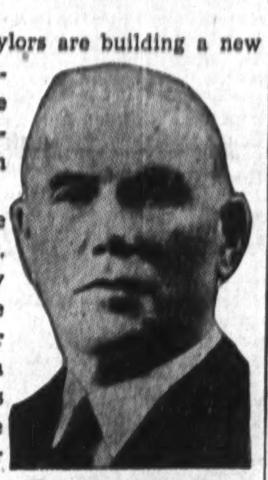
(Continued from page 9)

HARRY OAKES

The Development Board, responsible for tourist promotion, has sent Commander Longden, A.D.C. to Governor Clifford, to England this summer to interest distinguished British families in establishing winter homes in the Bahamas.

There is a persistent report that the Duke and Duchess of Windsor will be soon numbered among the winter residents. When Sir Frederick Williams-Taylor recently sold his home on Hog Island to Commander Dugdale, R.N., retired, the report spread that the commander was making the purchase on behalf of the Duke.

The Williams-Taylors are building a new home on Prospect Heights, Nassau, overlooking the lake country on the south and the golf course. This is a new real estate development proving very popular with Canadians.



SIR HERBERT HOLT

Even before the days of tax problems, the Bahamas roused the enthusiasm of visitors. Columbus wrote in his diary: "This country excels all others as the day surpasses the night in splendor; the natives love their neighbors as themselves; their conversation is the sweetest imaginable; their faces always smiling; and so gentle and affectionate are they that I swear....there is not a better people in the world."

B. C. Is Stepping Warily On Health Insurance Plan

From Our Own Correspondent

VANCOUVER. — British Columbia's Government will step warily before it brings down another health insurance measure.

That much is assured by the silence that now prevails in Victoria regarding the whole scheme, and the promise from Hon. George M. Weir, minister of health, that the matter will be given thorough consideration following the plebiscite which was held at the same time as the recent provincial election.

The plebiscite showed a majority in favor of health insurance, but it was by no means a sweeping verdict. The opposition recorded to it indicated that a large section of British Columbia is still unconvinced as to the necessity of such a scheme at all, inasmuch as the voters were required to express their opinion not on the original legislation, which has now been repudiated, but on the general idea of health insurance scientifically evolved.

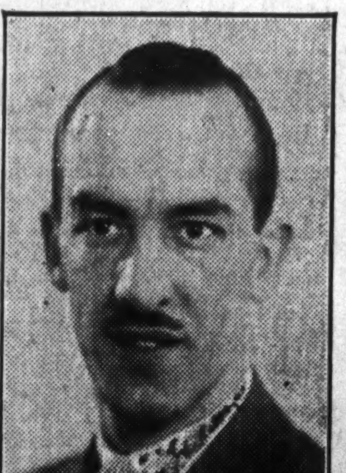
Medical men's opposition to the plan accomplished its defeat when the Government attempted to enforce it early this year after going to considerable expense to organize a staff and prepare the necessary enforcement machinery. It is a safe guess that the medical men's views will not be ignored when the question is again brought before the house.

Those who opposed the bill recall that enforcement floundered very largely on the obstacles which had been brought to the attention of the Government long ago by the Canadian Life Officers Association. This association had suggested that the measure be referred to a committee of recognized actuarial experts, claiming that the plan as submitted to the house would not be workable.

Health insurance has been such a contentious issue in the Legislature that it seems certain the Government will be careful to bring in a bill that will meet with much more general favor, or else leave the issue altogether alone.

LEAD IN SALES

J. L. FENN



A. G. KIRKPATRICK

A. E. RUNDLE

Results recently published by North American Life Assurance Company indicate that these three men have won the highest possible field honours offered by their Company, by qualifying through volume of sales for the Leaders Club. Mr. Fenn, who leads the whole sales force, is President of the Club, and Mr. Kirkpatrick and Mr. Rundle are members.

Insurance

Foreign Claims To Be Studied

International Body Will Meet in September in Massachusetts

Extension of claims investigation facilities in foreign countries will be discussed at the 26th annual meeting of the International Claims Association which will be held at Swampscott, Mass., on Sept. 13, 14 and 15. President of the association is D. R. MacKenzie, assistant secretary of the Manufacturers' Life Insurance Co.

The committee on foreign investigations, whose function has been to gather from the 159 member companies the means by which they obtain claim reports in foreign countries and to correlate this information, will make its report at this meeting. The committee has already furnished member companies with the names of sources of the information.

Although the association feels that claims investigation by the agencies specializing in this foreign service to insurance companies in Canada and the United States has been much improved in recent years, it is held that eventually foreign claim reports should be made to approach the standard of those closer home.

Insurance Law For Argentine

A department of insurance has been established by the Argentine Government. For several years, insurance companies transacting business in the country have advocated such a move, and the new legislation has been well received by both foreign and domestic companies.

Mild criticism has been levelled at only one clause, that which reads "Foreign companies shall publish exclusively as mathematical or supplementary reserves those which correspond to the branch in this country." It applies only to published notices, etc., and does not require actual segregating of reserves, or even publication of the figures.

The field covered by the new department, which will be administered by Dr. Cesar Saenz as superintendent of insurance, is broad. It will supervise organization, operation, solvency and liquidation of insurance companies. In particular, its oversight will pertain to plans of insurance, tariffs, model contracts, balance sheets, agents' practices, and so on.

Formerly there was a measure of supervision through the department of justice, but more specialized attention has been considered desirable. Under the new legislation, both companies and agents must be registered. Companies already in the field are given 180 days in which to file registration. No life insurance commissions paid may exceed 80% of the annual premium.

Great-West Life Sales Rise 10% in Half Year

Reflecting general business improvement, Great-West Life Assurance Co. reports a 10% increase in the number of sales, a 7% increase in placed new business and a substantial gain in business in force for the first half of this year compared with 1936.

Applications for new insurance in the first six months of 1937 numbered 10,172, as against 9,219 a year ago. Business in force has advanced $6 millions this year to date, with $1.5 million being recorded in June.

The husbandry of today yields the fruits of tomorrow.

So, co-operative thrift through Life Insurance has brought security for loved ones and contentment in old age to many thousands of the Sun Life family all over the world.

SUN LIFE OF CANADA

The Independent Order of Foresters
Monthly Income During Disability

Certificate Plan B: Issued by the Society affords outstanding protection. It provides an Old Age Benefit, payable in one sum, for the full amount of the Certificate, on the 60th birthday, or, payment in the event of death.

In addition, the Certificate provides a generous Disability Benefit of Ten Dollars a month, for each $1,000 of Protection carried. Payments of such benefit are not a charge against the Certificate when it becomes a claim, either as a result of death or old age.

The Certificate contains the usual automatic non-forfeiture privileges. Double Indemnity may be secured for the payment of a nominal sum.

FRANK E. HAND, *Supreme Chief Ranger.* HEAD OFFICE, TEMPLE BUILDING, TORONTO, CAN.

Are You Participating?

LAST year Northwestern Mutual distributed $1,143,727 in dividends to its policyholders. As a result the actual net cost of fire insurance on thousands of Canadian homes and businesses was substantially reduced.

Enquire of our Nearest Office.

BRANCHES: Toronto, Hamilton, Ottawa, Montreal, Quebec City, St. John, Halifax, Winnipeg, Saskatoon, Calgary, Edmonton, Kelowna, Victoria, Vancouver

NORTHWESTERN MUTUAL FIRE ASSOCIATION
Non-Assessable Policies Assets $6,000,000

Abitibi Power & Paper Company, Limited
TORONTO, ONT.
Owning directly or through subsidiary companies, mills at
Beaupre, Que. Sault Ste. Marie, Ont.
Sturgeon Falls, Ont. Iroquois Falls, Ont.
Espanola, Ont. Smooth Rock Falls, Ont.
Pine Falls, Man. Fort William, Ont.
Port Arthur, Ont.
Newsprint
Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp

Gay Evenings add Charm to Pleasure-filled Days

at the MANOIR RICHELIEU · MURRAY BAY · QUEBEC

"... my approach shot dropped three feet from the pin ..."
"... This Murray Bay air adds fifty feet to my drive and I never slice ..."
"... You fellows should have come with me — a ten-mile canter is *my* idea of a good time ..."
"... Give a man a horse he can ride, as the song goes ... good for the waist-line, too ..."
"... Let's play doubles again tomorrow ..."
"... Such a picturesque old couple and so old-worldish ..."
"... The swimming today topped everything — I could *live* in the pool ..."
"... I never thought archery was such fun ..."
"... I hate to think of going home ..."
"... Let's make up another party ..."
... so go these happy evenings of dancing, relaxation, rest, reminiscence and planning for glorious days to follow.

Manoir Richelieu vacations are *complete*. There are so many vital things to do; so many interesting people to meet and so much to see, in this land of old-world charm and ancient customs. Rates as low as $8 a day, including room and meals. All rooms have private baths. Return fare, by boat, Montreal to Murray Bay, including meals and berth, $27.35. Your car accommodated on the boat at small added cost. *For illustrated literature, reservations, write* JOHN O. EVANS, Manager, MANOIR RICHELIEU, Murray Bay, P.Q., *consult any travel agent, or*

CANADA STEAMSHIP LINES
715 VICTORIA SQUARE, MONTREAL — LAncaster 0231

STOCK AND BOND MARKET QUOTATIONS

Montreal, Toronto, Curb

The following table is confined to official prices for listed stocks. Where no recent transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING JULY 19

Range 1937 High	Low	Div R'te $	July 17 Y'ld %	Company	Sales	Last July 12	Week end. July 19 H	L	Cl'se
				A					
15½	5½	*	...	Abitibi	4707	7½	7½	6½	7½
80	41½	*	...	Do. pref. 6%	1023	61½	62	58	60
97	60	*	...	Do. pref. 7%	....	(— bid — asked)			
79½	41	*	...	Do. cert. dep.	62	61½	61	59	59
6½	4	10c	...	Acadia Sugar	....	(— bid 5½ asked)			
18½	9½	50c	5.3	Acme Glove	85	9½	9½	9½	9½
94	75	6.50	8.7	Do. pref.	....	(75 bid — asked)			
12	8½	60+30c	..	Agnew Surp.	480	11½	12	11½	12
110	105	7	6.6	Do. pref.	....	(106 bid — asked)			
7	3	*	...	Alta. Pac. Gr.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
				Z					
7½	3½	*	...	Zimmerknit, c.	180	8½	6	6	6

† 1936.
▲ On account of arrears.
‡ Plus extra of $2 paid Feb. 1, 1937.
b New York quotations.
● Plus stock bonus of 1% paid Jan. 2, and 1% Mar. 26, 1937.

Mining Stock Quotations

WEEK ENDED JULY 19, 1937

OIL STOCKS

VANCOUVER STOCK EXCHANGE

OIL STOCKS

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

July 20, 1937

Public Utility Issues:	Int. Rate %	Due	Bid July 20	Asked	Bid July 13
†Assoc. Tel. & T.	5½	'55	83	86	83½
▲Avalon Tel.	5½	'48	101½	...	101½
Beauharnois P.	5½	'73	66	69	63
‡Bell Telephone	5	'55	113	116	112½
‡Do.	5	'57	119	122	118½
B. C. Power	4½	'60	99½	102½	99
B. C. Tele.	4½	'61	105	108	104½
‡Calgary Power	5	'60	96	99	96
‡Do.	5	'64	95	98	95
†Can. Nor. Pwr.	5	'53	102½	105½	102½
‡Dom. Gas & El.	6½	'45	92	95	92½
‡Gatineau Pwr.	5	'56	102	105	102½
‡Do., A	6	'41	101	104	101
‡Do., B	6	'41	101	104	101
Gt. Lakes Pwr.	4½	'56	93	96	93
‡Inter. Hydro-El.	6	'44	80	83	76
‡Inter. Power	6	'57	97	100	97
‡Do.	6½	'57	99½	102½	99½
▲Do.	6	'55	101	104	101
†Maclaren-Que. Power	5½	'61	101	104	100
†Do.	5½	'64	101	104	100
†Mtl. Island Pr.	5½	'57	104	107	104
†Mtl. L., H. & P.	3½	'56	99½	102½	99
†Mtl. Tramways	5	'41	99½	102½	99
†Do.	5	'55	78½	81½	75
Nfld. L. & P.	4½	'56	99	...	99
Nat'l L. & P.	6	'49	92	95	94
N. S. L. & Pr.	4	'57	98	101	97½
†Ot'wa L.H.&P.	5	'57	105	108	105
†Ottawa V. Pwr.	5½	'70	104	107	104
†Power Corp.	4½	'59	98	101	97½
‡Quebec Pwr.	5	'68	103½	106½	103½
Saguenay P., B.	4½	'66	102½	105½	102
*Do., A	4½	'66	100	103	100½
†Shaw. W. & Pr.	4	'61	99	102	99
†Do.	4½	'70	104	107	104
†United Secs.	5½	'52	76½	79½	73½
†West. Pwr. Co.	5	'49	104	107	104
‡Wpg. Elec., A	4	'65	76	79	75
‡Do., B	4	'65	62	65	63
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	98	101	99½
Acadia Sugar	4½	'55	99½	102½	99½
B. A. Oil	4	'45	102	105	102
Canada Bread	6½	'41	107½	110½	107½
†Canada Cement	4½	'51	103½	106½	104
†Canada Paper	4½	'52	97	100	97
Can. Canners	4	'51	100	103	99½
Can. Bakeries	6½	'45	100	103	100½
‡Can. Inter. Pap.	6	'49	101½	104½	101½
C. P. R.	3½	'51	95½	98½	97
Do.	4	'49	99	102	100½
Do.	4½	'44	101	104	101½
Do.	4	Perp.	93	96	94
†Can. Vickers	6	'47	98½	101½	97
†Consol. Paper	5½	'61	88½	91½	90
‡Dominion Coal	6	'55	100½	...	100½
▲Do.	5	'40	104½	...	104½
▲Dom. Stl. & C.	6½	'55	109	112	110½
Dom. Tar	4½	'51	100	103	100
Dom. Textile	4½	'55	105½	108½	105½
Donnacona P.	4½	'56	85½	88½	84
Famous Players	4½	'51	96½	99½	97
Fraser Cos.	6	'50	102	105	101½
Gen. Stl. W.	4½	'52	95½	98½	95½
Great Lakes P.	5	'55	96½	99½	95½
Gypsum, Lime.	5½	'48	101	104	101
Gr. Br. & Can. Invest.	4½	'59	86	89	86
Hamilton Cot.	5½	'48	103	...	103
Ham. By-Prod. Coke	5	'50	98	101	98½
Do.	6	'56	97½	100½	97½
Inter. Paper	6	'55	96	99	96½
Inter. P. & P. Nfld.	5	'68	102	105	102
Inter City Bak.	5½	'48	103	106	103
Kingston Elev.	6	'50	98½	101½	99
Lake St. John P. & P.	5½	'61	100½	103½	101
Do.	5	'61	82	85	82
Lond. Can. Inv.	4½	'48	94	97	94
Massey-Harris	5	'47	97	100	96½
Mtl. Coll-Front.	6	'49	103½	106½	102½
Mersey Paper	6	'49	99	102	98½
Minn. & O. Paper	6	'45	67	70	69
Mtl. Dry Docks	6	'48	90	95	91
Nat'l. Grocers	4	'47	100	103	100
N. A. Elevators	6	'50	95	98	95
Nor. Ont. Bldg.	6½	'39	97	100	97
Price Bros.	5	'57	99½	102½	99½
Prov. Paper	5½	'47	102½	105½	102½
Queen's Hotel	6	'47	98½	102½	99
Restigouche Co.	6	'48	111	114	112
Rich. Bay Bldg.	6½	'47	96	100	97
Rolland Paper	5½	'31	102½	105½	102½
Ruddy & Co.	6½	'48	98	101	98
Simpsons Ltd.	4½	'51	97	100	96½
Smith, Howard	4½	'51	103½	106½	103½
Steel of Canada	6	'40	110	113	110
Sterling Coal	6	'40	94½	97½	94
*Twin City	5½	'52	78½	81½	78½
United Amuse.	5	'56	99	102	98½
United Corp.	5	'53	95	98	93
Union Gas	4½	'50	99	102	99
▲Wabasso Cot.	4½	'51	97½	100½	97
Windsor Hotel	6½	'43	81½	...	81½
Do.	6	'47	42	...	42

‡Payable in Can. or U. S. †Payable in Can., U. S. or U. K. ▲Payable in Can. or U. K. *Payable in U. S. only.

Unlisted Mines

July 20, 1937

	Bid	Asked
Albany River		
Algold	.50	.52
Armistace	.35	.37
Arno	.14½	.16
Athona	.02¾	.03¼
Area	.18	.19
Augite	.03	.03½
Bailor	.15	.18
Barber Lar.	.02½	.03
Bathurst N.	.15½	.16½
Big Master	.02	.03
Baldwin	.03½	.04½
Bousquet	.03	.03½
Cuniptau	.00¼	.00¾
Calder Bous.	.07½	.08½
Cal. Flin Flon	.07	.09
Can. Pan.	.03½	.04½
Can. Kirk.	.09	.10
Candal'a	.02	.02¼
Casey Con.	.43	.45
Chesterville	.01¼	.01½
Coin Lake	1.65	1.75
Condor O.	..	.09
Con. Kirk.	.03½	.04½
Cooke Lake	.28	.30
Cres. Kirk.	.25	.30
Dawson White	.03½	.04½
Dempsey	.13½	.14½
Desantis N.	.07	.08½
Delosha	.37	.40
Doreva	.16	.18
Dunlop N	.29	.32
El Bonanza	.04	.05
Electra Porc.	.07	.09
Eva Lake	.07½	.10
Elmos	.10	.11½
Faulkenham	.09½	.10½
Fernland	.35	.37
Fleming	.13	.16
Franklin	.19	.21
Frontier	.01¼	.01¾
Galatea	.10	.12
Garnet	.02	.03
Gate. Pat.	.01½	.02
Gilbec	.06	.08
Gold Range	.02	.02¼
Goldside	.02	.03
Gold Gat.	.03½	.04
Gordon Lebel	.44	.47
Hudson Pat.	.07	.08
Hislop	.03	.04
Horseshoe	.08	.10
Hutch. Lake	.01¾	.02
Hugh Pam.	.19	.20
John Nip.	.11½	.12½
Kaw Crow	.04½	.05
Kenecho	.06	.08
Kenricia	.13	.15
Kewgama	..	.42
King Kirk.	.31	.32
Kir-Vit.	.01¾	.02¾
Kir. Hun.	.14½	.15
Lafayette	.02	.02½
Lake Geneva	.02¾	.03¼
Lamaque	.56	.63
Lardego	6.20	6.30
Magnet Lake	.04½	.05
Magnet Cen.	.03¾	.04¼
Malartic	.12	.14
Mart. McN.	.26	.30
Mart. Bird	.03	.04
Margaret	.61	.63
Mata Ca.	.38	.40
Moffatt N.	.13½	.15
McFarlane	.06	.08
McCarthy Webb	.08	.08½
McVittie Kir.	.19	.21
Monarch	.03¾	.04¾
Mooshla	.10	.12
Mosher	.15	.18
Norlake	.28	.29
North Shores	.10½	.11½
Oklend	.02¾	.03¼
O'Leary	.15	.17
Opem. Cop.	.08	.09
Oriole	.12½	.14
Ossian	.08½	.09
Osoyoos	.02½	.03½
Pascalis	..	.40
Porc. McNabb	.29	.30
Porc. United	.03½	.05
Plains Porc.	.06	.07
Potterdoal	4.00	4.25
Porc. Tri.	.01¾	.03¼
Pelangio	.08	.10
Planet	.10	.10½
Que. Man.	.22	.24
Rajah	.79	.81
Richmac	.14	.18
Ribago Old	.25	.35
Reanor	.03	.03½
Rouyn Reward	.09	.11
[illegible]	.04	.04½

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

July 20, 1937

	Bid	Asked
Industrial Stocks:		
Acadia Sugar, pfd.	4.25	[illegible]
Acme Farmers Dairy, pfd.	46.00	[illegible]
Algoma Steel, com.	15.00	[illegible]
Do., pfd.	75.25	[illegible]
Andian Nat. Corp.	49.50	[illegible]
Assoc. Tel & Tel., pfd.	38.00	[illegible]
B. C. Pulp & Paper, pfd.	88.00	[illegible]
Do., com.	23.50	....
Brandram-Henderson, com.	8.75	....
Do., pfd	20.25	....
Burns & Co., A	10.00	12.00
Do., B	4.75	5.50
Can. Tube & Steel, 1st pfd.	75.25	77.50
Do., com.	5.75	7.75
Can. Wire & Cable, pfd.	113.25	114.75
Can. Airways	5.50	6.50
Can. Industries, A com	239.00	....
Do., B com.	236.50	240.50
Do., pfd	155.00	....
Can. Ingersoll Rand	129.25	131.00
Can. Western Lumber, com.	1.10	1.20
Chase, A. W., pfd. bonus	27.00	28.50
Conduits Nat., com.	5.25	5.75
Crescent Creamery, pfd.	38.00	39.00
Dominion Woollens, com.	.95	1.20
Do., pfd.	3.75	4.50
Dunlop Tire, pfd.	83.50	86.00
Federal Grain, com.	2.50	3.25
Do., pfd.	....	42.00
Gatineau Power, com.	10.50	12.00
Do., pfd.	76.00	77.00
Goderich Elevator	4.00	5.25
Greening Wire, pfd.	108.50	....
Guelph Carpet, pfd.	105.50	107.00
Do., com.	25.00	....
Hayes Steel Prod., com.	12.00	12.75
Do., pfd.	8.25	9.00
Highland Dairy, com.	2.25	....
Lake Sulphite Pulp, com.	24.50	25.00
Loblaw's Inc. (U.S.) Units	76.00	....
McCormick's, com.	4.60	5.00
Do., pfd.	14.50	....
Morrison Brass, pfd. bonus	11.00	12.00
Mount Royal Hotel, pfd.	3.75	4.50
New Method Laund., pfd. bonus	93.00	95.00
Perfection Pete., pfd.	21.00	22.50
Provincial Paper, pfd.	107.00	108.00
Reliance Grain, pfd.	....	90.00
Rob. Consol. Cone	10.50	11.25
Ruddy, E. L., pfd.	....	34.00
Seal O Sac (Can.)	15.00	17.00
Silverwoods Dairies, com.	1.80	....
Do., pfd.	4.60	4.90
Standard Fuel, com.	5.75	7.00
Do., pfd.	98.00	100.00
Supertest Pet., B pfd.	26.00	28.00
Toronto Carpet, com.	55.00	....
Do., pfd.	61.00	....
United Steel, A pfd.	20.50	21.50
Western Grain, pfd. bonus	8.50	10.00
Weston (Geo.) Foods (Eng.)	3.00	3.25
Wings Limited	.90	1.10
Trusts & Loan Stocks:		
Chartered Trust	98.00	101.00
Commercial Finance, com.	2.60	2.90
Guelph Ont. Inv., par $50	49.75	52.00
London & West. Trust	50.00	55.00
Sterling Trust	40.00	....
Traders Fin., A com.	19.00	21.50
Do., Inc. Rights	12.00	....
Do., B pfd. bonus	95.00	97.50
Trusts & Guarantee	29.00	31.00
Insurance Stocks:		
Canada Life	537.50	545.00
Canadian Ins. Shares	16.00	....
Confederation Life, 20% pf.	118.00	118.50
Dominion Fire	133.00	....
Dom. of Can. Gen.	136.00	140.00
Empire Life, 25% pd.	12.25	13.00
Federal Fire, 25% pd.	37.00	41.00
Great West Life	330.00	340.00
Guar. of N.A., fully pd.	295.00	320.00
Do., 20% pd.	57.50	....
Imperial Life	352.00	365.00
Manufacturers Life	275.00	280.00
Monarch Life, 10% pd.	24.50	26.50
Sovereign Life, 25% pd.	16.00	18.00
Sun Life	625.00	630.00
Western Assurance, com.	32.00	34.00
Do., pfd.	40.50	42.50
Theatre Stocks:		
Allens Kingston, pfd.	67.00	....
Do., Parkdale, pfd.	63.00	....
Do., St. Catharines, pfd.	60.00	....
Do., Tor., 7% pfd. bonus c.	30.00	33.00
Loew's London, pfd.	2.00	2.75
Mansfield Theatre, pfd.	29.00	32.00
Paramount Kitchener, pfd.	58.00	62.00
Do., Oshawa, pfd.	89.00	95.00
United Amusement, A	22.25	24.50
Do., B	22.50	24.50
Investment Trust Shares:		
Can. Gen. Invest.	9.90	10.10
Can. Investment Fund	4.50	4.75
Can. Investors	8.75	9.25
Cons. Div. Std. Sec., com.	.40	....
Do., pfd.	21.75	....
Invest. Found., pfd. bonus	58.25	60.50
Lon. Can. Invest., com.	4.35	5.00
Sec's. Hold., pfd. bonus	20.50	22.50
United Corpns., A	23.00	24.00
Do., B	21.50	23.00
Power Issues:		
Calgary Power, pfd.	....	83.00
Can. West. Nat. Gas, pfd.	91.00	92.50
Do., com.	25.50	....
Foreign Power Sec's., pfd.	8.00	10.00
Great Lakes Power, pfd.	98.50	100.00
Inter. Util., $1.75 pfd.	16.00	18.00
Montreal Island Pwr., pfd.	16.00	18.00
New Brunswick Tele., com.	13.75	14.25

Winnipeg Stocks

(Transactions from July 12 to July 17)

	Sales	High for period	Low for period	Close July 17
Adion Oils	2,650	.15	.14	.14
Cryderman	6,500	.01½	.01½	.01½
Cres. Cream., p.	92	38.00	36.00	36.00
Dickstone Cop.	8,500	.15	.10	.15
Flin Flon	28,700	.10	.08	.09
Gurney	5,740	.31	.27	.28
Gold Lake	1,000	.02	.02	.02
Monarch Gold M.	100	.95	.95	.95
Marvel Oils	2,000	.06	.05	.06
Sovereign Life	5	16.00	16.00	16.00
Sachigo	6	14.00	14.00	14.00
Star Lake	5,000	.01½	.01½	.01½
United Grain	5	9.00	9.00	9.00
Wylie Dom.	2,200	.25	.23	.25
Wingold	11,500	.04	.03½	.03½
Wpg. R. Tin	23,000	.01½	.01	.01
West. Steel, pf.	15	8.00	8.00	8.00
West. Brew.	125	1.25	1.25	1.25
Wings Ltd.	100	1.00	1.00	1.00
Wallace Lake	7,000	.01	.01	.01

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire Insurance	..	100
Can. Indemnity	125	..
Dom. Envelope, pref.	93½	95½
Federal Grain, pfd.	..	41
Home Investment	22	25
Northern Can. Mtge., pf.	3	..
North. Mtge., part pd.	..	2
Traders Bldg.	..	90

*Stocks more active on other exchanges not included.

Listed Bonds

Week Ended July 19, 1937

	Int. rate	Due	High	Low	Range 1937 High	Low
Mtl. L. H. & P. Debs.	3	'39	50½	..	50½	50½

Investment Trusts

	Bid	Asked
Can. Amer. Trust	4.75	4.95
Can. Invest. Fund	4.55	4.90
All Can. Trustee	14.00	14.50
Trans-Canada	....	15.00
Grouped Income	6.61	7.25
Can. Equity	12.75	13.00
Can. Int. Tr., modified	6.00	6.30
Do., unmodified	5.50	6.00

UNLISTED MINES (Continued)

	Bid	Asked
Rubec	.03¼	.03¾
Sand River	.34	.35
Schreiber	.03½	.04½
Shenango	.14	.17
Skookum	.04½	.05½
Siscoe Ex.	.20	[illegible]
Smelter	.03	.04
Spooner	[illegible]	[illegible]
Sturgeon River	.27	.33
Springer	.09	.10
Straw L.	.15½	.15
Sun Bear	.23	.25
Tonawanda	.04	[illegible]
Upper Can.	.29	.30
Wascana	.16	[illegible]
Williamson	.10	.11
Westside	[illegible]	[illegible]
West Red Lake	.01½	[illegible]
White Horse	[illegible]	[illegible]
Wendigo	[illegible]	[illegible]
Winoga	.03	.10
Young Davidson	.16	[illegible]
Ypres Cad.	.11	[illegible]

Government Bonds

Dominion of Canada Bonds

July 21, 1937		Bid	Asked	Approx. Yld.
2	15 Nov. '39	101.25	101.75	1.26
2½	15 Oct. '39	102.25	102.75	1.30
4	15 Oct. '39	105.65	106.15	1.32
1½	1 June '40	100.10	100.60	1.29
4½	1 Sept. '40	108.00	108.50	1.70
1	15 Mar. '41	97.85	98.35	1.46
5	15 Nov. '41	110.85	111.35	2.23
3	15 Oct. '42	103.75	104.25	2.14
2½	1 June '43	101.25	101.75	2.19
5	15 Oct. '43	112.00	112.50	2.82
4½	15 Oct. '44	110.00	110.50	2.90
▪2½	15 Aug. '45	99.65	100.15	2.46
4	15 Oct. '45	106.50	107.00	▲2.78
4½	1 Feb. '46	110.00	110.50	3.10
3¼	1 June '49	100.50	101.00	▲3.12
3½	15 Oct. '49	102.15	102.65	▲3.09
4	15 Oct. '52	106.25	106.75	▲3.23
3	1 June '55	96.40	96.90	3.23
4½	1 Nov. '56	109.15	109.65	▲3.31
4½	1 Nov. '57	109.25	109.75	▲3.39
4½	1 Nov. '58	109.75	110.25	▲3.41
4½	1 Nov. '59	110.10	110.60	▲3.44
▪3¼	15 Jan. '61	99.25	99.75	3.27
3¼	1 June '66	98.00	98.50	3.33
‡3	Perp. bds.	86.85	87.35	3.44
Dominion Guaranteed Bonds				
Canadian National Railway:				
3	1 May '44	102.00	103.00	2.52
3	15 Dec. '50	96.50	97.50	3.23
3	15 Feb. '53	95.25	96.25	3.30
*4½	1 Sept. '51	112.75	113.75	3.30
*4½	1 Feb. '56	113.00	114.00	3.48
†4½	1 July '57	112.00	113.00	3.58
*4¾	15 June '55	115.25	116.25	3.52
5	1 Feb. '54	116.00	117.00	3.65
*5	1 July '69	115.50	116.50	▲3.02
*5	1 Oct. '69	117.75	118.75	▲3.46
Provincial Government Bonds				
New Brunswick:				
4	1 Sept. '54	100.50	101.50	3.88
†4½	15 Apr. '61	104.00	105.00	4.17
†5	15 Jan. '60	109.00	110.25	4.30
Nova Scotia:				
3	2 Sept. '45	97.00	98.50	3.20
4½	15 May '43	106.50	107.50	3.13
†4½	15 Sept. '52	108.00	109.00	▲3.46
†5	1 Mar. '60	115.75	116.75	3.88
Ontario:				
3	1 Dec. '51	95.25	96.25	3.33
*4	1 June '62	106.00	107.50	3.55
4½	1 June '50	110.00	111.00	3.44
*4½	15 Jan. '62	112.50	114.50	3.61
5	15 Oct. '48	113.50	114.50	3.46
*5	2 Dec. '60	118.00	119.50	3.75
5½	1 July '46	115.25	116.25	3.38
Ont. Hydro Comm.:				
3½	1 Apr. '47	101.50	102.50	3.20
4¾	1 Jan. '70	115.00	117.00	3.83
Prince Edward Island:				
3	1 Oct. '45	97.00	98.50	3.20
Quebec:				
4	15 Mar. '52	105.00	106.00	3.48
4¼	1 Aug. '58	108.50	109.50	3.60
4½	2 Jan. '63	110.00	111.00	3.82
Alberta:				
4	15 Dec. '54	54.00	57.00	§
†4	1 Dec. '57	54.00	57.00	§
4½	1 Oct. '51	67.00	70.00	§
†4½	1 Oct. '56	56.00	58.00	§
†5	1 Jan. '48	58.00	60.50	§
5	1 Sept. '55	58.50	60.50	§
*5	1 Oct. '59	58.00	60.50	§
†5½	1 Jan. '47	59.50	62.00	§
6	1 Mar. '47	64.00	66.50	§
British Columbia:				
†4	1 Dec. '57	91.00	92.50	4.57
*4½	15 Jan. '51	96.75	98.00	4.70
†4½	1 Oct. '53	95.75	96.75	4.79
†5	15 Jan. '48	99.25	100.25	4.97
5	1 Sept. '53	99.00	100.00	5.00
5½	1 Feb. '45	101.00	102.00	5.20
6	15 Feb. '47	104.00	105.00	5.35
Manitoba:				
4	2 Jan. '50	78.00	80.00	6.34
†4	1 Dec. '57	78.00	80.50	5.61
†4½	15 Dec. '56	82.00	85.00	5.79
†5	15 June '54	88.00	91.00	5.84
*5	2 Dec. '59	88.00	91.00	5.71
5½	1 Oct. '55	92.00	94.00	6.04
6	1 Apr. '47	96.75	98.00	6.27
Saskatchewan:				
4	15 Aug. '53	64.00	68.00	7.38
4	1 Nov. '60	61.00	68.00	7.32
*4½	2 July '45	70.00	75.00	8.94
†4½	1 Oct. '51	76.00	79.00	6.80
†4½	15 Mar. '60	66.00	69.00	7.30
5	1 Aug. '58	70.00	74.00	7.44
†5½	15 Nov. '46	72.00	76.00	9.29
5½	1 Oct. '52	72.00	76.00	8.27
6	15 Mar. '52	74.00	78.50	8.57

*Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. ▪Payable N.Y. ‡Callable on or after Sept. 15, 1966. §Traded flat. Interest being paid at 50% of coupon rate; minimum rate 2%.

Dividends Declared

	This payment	Date payable	Date of record
Agnew-Surpass ..	30c	Sept. 1	Aug. 16
Do., bonus	30c	Sept. 1	Aug. 16
Do., pref.	$1.75	Oct. 1	Sept. 15
Aluminium, pfd. .	$1.50	Sept. 1	Aug. 14
Do., arrears	$4	Sept. 1	Aug. 14
Anglo-Can. Tel., pfd.	*$1.37½	Aug. 2	July 15
Bk. of Toronto ..	$2.50	Sept. 1	Aug. 14
Barkers Bread, c. ..	8c	Aug. 3	July 22
Beatty Bros., 1st pf.	$1.50	Aug. 1	July 1
B. C. Tele., 2nd pf.	$1.50	Aug. 2	July 17
Buff-Ankerite ...	12½c	Aug. 16	Aug. 2
Do., extra	7½c	Aug. 16	Aug. 2
Can. Nor. Power ..	30c	July 26	June 30
Corporate Investors	6½c	Aug. 15	July 31
Can. Bronze, pf. .	$1.25	Aug. 2	July 20
Do., com.	37½c	Aug. 2	July 20
Can. Indust., A & B	$1.50	July 31	June 30
Crown Cork	20c	Aug. 16	July 31
Calgary Power, pf.	$1.50	Aug. 2	July 15
Can. Dredge, c. ...	$1	July 31	July 14
Cons. Press	25c	Aug. 1	July 15
Coast. Brew.	27c	Aug. 2	July 16
Can. Inv. Fund., sp. & ord.	5c	Aug. 2	July 15
Can. Investors	10c	Aug. 2	July 17
Distillers-Seag., pf.	$1.25	Aug. 2	July 20
Dom. Tar, pref. ..	$1.37½	July 31	July 10
Dom. Scot. Inv., pf.	50c	Sept. 1	Aug. 20
Eng. Elec., A	62½c	Sept. 15	Aug. 31
East. Theat., pf. ..	$3.50	July 31	June 30
Frost Steel, 1st pfd.	$1.75	Aug. 2	July 16
Howey Gold	2c	Aug. 2	June 26
Humberstone Shoe	50c	Aug. 1	July 15
Hydro-Elec. Secs., B. pfd.	25c	Aug. 2	July 15
Imperial Bank	$2.50	Aug. 2	June 30
Inter City Bak. ...	$1	July 31	July 15
Inter. Utilities	$1.75	Aug. 1	July 22
Do., $3.50 pref. ...	87½c	Aug. 1	July 22
Kelvinator, pfd. ..	$1.75	Aug. 16	Aug. 5
Little Long Lac ..	10c	Aug. 16	Aug. 5
McIntyre-Porc. ...	50c	Sept. 1	Aug. 3
Mtl. L. H. & Pr. ..	38c	July 31	June 30
Nat. Biscuit, pf. ..	$1.75	Aug. 31	Aug. 13
Nat. Biscuit, c. ...	40c	Oct. 15	Sept. 10
Ont. Steel Prod., pf.	$1.75	Aug. 14	July 31
Do., on arrears .	$17.75	Aug. 14	July 31
Oxford Pipe Line, p.	3½%	Aug. 2	July 15
Penmans	75c	Aug. 16	Aug. 5
Do., pref.	$1.50	Aug. 2	July 21
Power Corp., com.	†25c	July 26	July 3
Prud. Trust	*25c	Aug. 1	July 20
Royal Bank	$2	Sept. 1	July 31
Rolland Paper ...	25c	Aug. 16	Aug. 6
Do., pref.	$1.50	Sept. 1	Aug. 16
St. Law. Flour ..	25c	Aug. 2	July 20
Do., pref.	$1.75	Aug. 2	July 20
Simon & Sons, pfd.	$3.50	Aug. 2	July 20
Steel of Can.	43¾c	Aug. 2	July 7
Do., pref.	43¾c	Aug. 2	July 7
South Can. Pwr., c.	20c	Aug. 16	July 31
Saguenay Pwr., pf.	$1.37½	Aug. 1	July 15
Simpson, pref. ...	$1.25	Aug. 2	July 26
Toburn Gold	2c	Aug. 21	July 22
Union Gas	15c	Sept. 15	Aug. 20
United Fuel, pf. ..	$3	Aug. 16	July 31
United Corp., A ..	‡75c	Aug. 16	July 31
Walker-G. & W. .	50c	Sept. 15	Aug. 20
Do., pref.	25c	Sept. 15	Aug. 20
Weston, Geo., pf. ..	$1.25	Aug. 3	July 15
Zimmerknit, pfd. ..	$3.50	Aug. 1	July 15

†Interim. ‡On arrears. *Initial.

Weekly Bank Clearings

	July 15 1937 $	Change Year Ago %	July 8 1937 $
Saint John .	1,724,773	— 1.3	2,563,605
Moncton	745,133	— 2.8	1,128,398
Sherbrooke .	726,206	+14.2	836,613
Halifax	2,559,029	—0.06	3,671,786
Kingston ...	532,080	+ 8.6	809,655
Quebec	5,072,086	+19.6	6,899,866
Montreal ...	93,796,986	+ 1.7	161,747,213
Ottawa	15,980,208	+ 7.7	29,747,461
Peterborough	767,065	+ 8.8	858,676
Toronto	100,091,250	— 4.8	147,169,969
Hamilton ...	5,097,356	+29.9	9,022,733
Kitchener ..	959,095	— 7.0	1,361,611
Brantford ..	900,483	+18.4	1,379,222
Chatham	535,727	+24.8	662,476
Windsor	2,683,062	+11.2	3,270,855
Sarnia	437,525	+ 0.1	593,115
Sudbury	1,037,149	+26.1	1,128,270
London	2,720,404	+ 3.0	3,749,084
Fort William	807,755	+26.2	973,400
Winnipeg ...	35,095,955	—49.3	47,388,652
Brandon	297,346	+12.0	442,178
Moose Jaw ..	576,392	+12.8	796,072
Saskatoon ..	1,214,841	— 7.9	1,690,108
Edmonton ..	3,404,763	+ 1.0	4,346,327
Medicine Hat	197,739	—14.8	313,403
N. W'minster	740,012	+27.1	891,637
Vancouver ..	16,548,604	— 2.8	23,246,975
Victoria	1,743,076	+ 5.1	2,275,623
Calgary	4,737,686	—29.5	6,353,580
Lethbridge .	421,632	—8.1	516,598
Prince Albert	345,174	—2.4	417,145
Regina	2,860,642	+21.2	5,486,801

Week in Wheat

Improving Crop News Weakens Wheat Prices

Europe Confident of Sufficient Supplies at Lower Values — Italians Claim Independence of Imports

Wheat price declines at the beginning of the week seemed to show that recent advances had got both Canadian and United States markets too far out of line with Liverpool at a time when overseas countries are getting on with very limited new weekly shipments. Continental demand is especially limited, under the influence of actual or approaching harvests. Recessions also indicate some relaxing of tension over rust damage in spring wheat areas of United States, and a feeling that while the crop will undoubtedly suffer, damage may be smaller than earlier expected.

The fact that western Canadian crop prospects have materially improved during the week was hardly to be accounted a market factor of importance, although fears of heavy rust damage in Manitoba have been allayed. While Alberta may now produce as much wheat as last year, the small size of the total Canadian crop makes changes in outlook now comparatively unimportant.

Italian official sources claim a wheat crop of nearly 300 million bushels. This would leave Italy practically independent of imports. Commercial estimates, however, are not as optimistic. Italy was a heavy importer last winter. German crop reports continue unfavorable.

British millers have been filling most of their requirements with Indian wheat, a source that must shortly be exhausted unless high prices bring out larger quantities than expected.

Canadian Crop Discounted

Wheat price fluctuations at Winnipeg are now almost of necessity reflections of movements on other markets, this week principally of Chicago. Effect of Canadian crop situation is fairly well over, with Winnipeg prices probably at the maximum premium over prices for wheat of other countries. The possible variation in the out-turn of the Canadian western wheat crop can hardly affect total world supplies by much more than 50 million bushels. Much wider variations than that are possible in the total European crop, in the out-turn in the southern hemisphere, or Russia, or in the quantity of wheat which the United States may have available for export.

* * *

Liverpool Bearish

Liverpool continues to regard the high prices prevailing for wheat on the North American continent as unjustified, and advances are made with great reluctance. Purchases of either Canadian or United States grain are in minimum quantity. Market comment in England stresses the dearness of United States Gulf wheat as compared with Indian. Little weight is given to such comment on this side, as the total quantity which India can spare is thought to be small.

British and continental observers also stress the possibility of obtaining considerable supplies from Russia, and much is made of the improvement in Russian prospects on account of recent rains. But here any Russian offerings are expected to be meagre.

* * *

What Will U. S. Export?

The most important difference in outlook on the situation concerns the probable market effect of the United States exportable surplus. Overseas markets take it for granted that there will be a large surplus, and that to dispose of it United States markets will have to adjust themselves to world levels. In the United States there is more doubt as to the size of the surplus, because of fears of rust damage to spring wheat. But there is also confidence in the ability of the country to be a strong holder, if necessary. A lot of wheat may be fed to livestock, for while there is a reasonably good corn crop in prospect, it will not be available before September. In the meantime much wheat may be fed. Moreover many farmers will not be in a hurry about selling all their wheat if they think better prices will be in effect later on.

These reasons help to account for the strength of United States prices at a time when daily deliveries are higher than they have been for years, and when there is very little export business to help take up the slack.

* * *

Long View Bullish

Judging from the present statistical position the strength of the wheat market should continue to grow during the crop year ahead, that is unless Argentina and Australia succeed in producing much more than average crops. World wheat production, while promising 100 million more than in the crop year now closing, would still be less than total normal requirements. This will mean depleting world reserves during the year to a point which will bring them uncomfortably low, after the steady reductions of the last five years.

But the market cannot be judged purely on the basis of statistics of past production and consumption. Present price levels may increase available supplies, particularly as Russia and India may be induced to spare more wheat for world markets than would otherwise be the case. They may decrease consumption, more particularly in European countries which have difficulty in finding sufficient exchange to pay for imports. They may divert to human food grain which otherwise might have been fed to livestock, particularly rye, barley and corn.

DIVIDEND NOTICES

Zellers Limited

Notice is hereby given that the regular quarterly Dividend of one and one-half (1½) per cent ($1.50) has been declared on the Preferred Shares of Zellers Limited and will be payable on and after August 14th, 1937, to Shareholders of record at the close of business, July 31st, 1937.

By Order of the Board.
T. E. McDERMOTT,
Secretary-Treasurer.

Quebec Power Company

NOTICE is hereby given that a dividend of twenty-five (25c) cents per share has been declared on the no par value common shares of the Company for the quarter ended June 30th, payable August 16th, to shareholders of record July 26th, 1937.

By order of the Board.
JAMES WILSON,
Secretary.
Montreal, July 19, 1937.

Little Long Lac Gold Mines Limited

25 King St. W., Toronto, Ont.
Dividend Notice—Dividend No. 6

Notice is hereby given that a dividend of 10c per share has been declared by the Directors of Little Long Lac Gold Mines Limited, payable in Canadian funds on August 16, 1937, to shareholders of record at the close of business on August 5, 1937.

By order of the Board.
L. A. MACDONALD,
Secretary-Treasurer.
July 17, 1937.

SIMPSONS, LIMITED

Preference Dividend No. 23

NOTICE is hereby given that a Dividend of One Dollar and twenty-five cents per share on the outstanding paid up six and one-half per cent Cumulative Preference Shares of the Company has been declared payable on August 2, 1937, to shareholders of record at the close of business on July 26, 1937. The transfer books will not be closed.

FRANK HAY,
Secretary.
Toronto, July 17, 1937.

The Guelph Carpet & Worsted Spinning Mills Limited

Preferred Dividend No. 33

Notice is hereby given that a Dividend of One and Five-eighths per cent. (1⅝%), being at the rate of Six and One-half per cent. (6½%) per annum, has been declared upon the outstanding 6½% Cumulative Convertible Preferred Shares of The Guelph Carpet & Worsted Spinning Mills Limited, for the Three Months ended July 31, 1937, payable August 1, 1937, to Shareholders of record at the close of business July 20, 1937.

By Order of the Board.
B. F. GRIGGS,
Secretary-Treasurer.
Guelph, Ontario, July 20, 1937.

A. J. PATTISON Jr. & CO. LTD.
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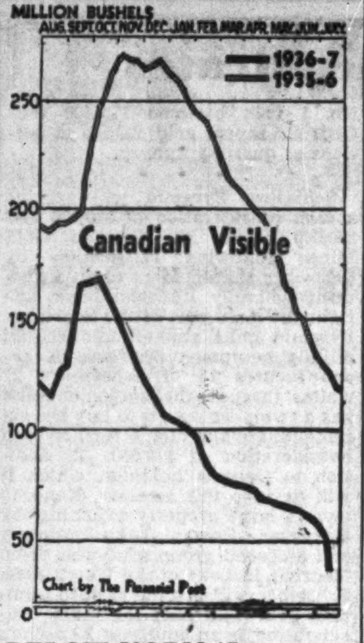
TORONTO



BELOW NORMAL

With exports clearances amounting to over two million bushels and practically nothing coming in from farms, total of wheat in public storage last week declined to under 38 million bushels. Last year at this time total was almost 135 million.

Details in bushels are as follows:

Week of July 16	Week Previous	Last Year
37,978,000	40,600,000	134,712,000
Export Clearances*		
2,204,032	1,809,789	4,861,301

*Plus U. S. imports.

Pools Win Out On Demurrage

From Our Own Correspondent

OTTAWA.—By an oral judgment delivered by Chairman Hugh Guthrie immediately at the close of Counsels' argument, the Board of Railway Commissioners disallowed the special tariff which the C.N.R. and C.P.R. railways sought to make effective on Sept. 1 next, providing for demurrage on congested grain at the head of the lakes.

The tariff was opposed by the Prairie wheat pools and by other grain interests.

The railways argued for the tariff on the frank grounds of the revenue which it would bring. Citing the losses which they had suffered during the depression years, they contended that they should be entitled now to more generous treatment, particularly in view of the improvement in grain prices.

M. A. MacPherson, K.C., as counsel for the Saskatchewan wheat pool, submitted that no individual had suffered during the depression as had the farmer. The inconvenience to which the railways were put through shortage of cars during a period of congestion was, he contended, one of the risks incidental to the grain industry as a whole, and a minor risk when compared with the hazards of drought, wind, hail, rust, and temperature which the farmers ran.

L. J. Reycraft, K.C., W. Owens, K.C., and W. Greene, all of Winnipeg, appeared for the railways and L. W. Brockington, K.C., and M. A. MacPherson, K.C., for the grain trade and wheat pools respectively.

Grain Traffic Drops But Car Loadings Up

From Our Own Correspondent

MONTREAL.—Although grain loadings continue light, total car loadings for the week ended July 10 were ahead of last year, amounting to 51,821 cars. This compares with 43,172 cars for the same week of 1936 which contained a holiday and 46,131 cars for the previous week this year which also contained a holiday. The index numbers after adjustment were 81.42 for the 27th week of 1937, 78.03 for the 26th week and 78 for the 27th week of 1936.

Despite the holiday in the corresponding week of last year grain loadings in the week ended July 10 last were 2,314 cars below last year's total.

The cumulative total for 1937 to July 10 shows an increase of 120,266 cars over the same period of last year, the total being 754,217 cars.

Commodities

With the exception of wheat and hides, leading commodities are showing definitely lower price tendencies and commodity markets in general are unsettled. A strengthening influence in the case of wheat, weather is having the opposite effect on cotton and the decline in cotton quotations is attributed in trade quarters to the U. S. government report indicating favorable growing conditions in the South. Cotton crop prospects are good and present prices may be difficult to maintain, it is felt, although the market is now in a period at which observers anticipate wide price swings.

General price levels based on Dominion Bureau of Statistics indices continue above the levels of a year ago but the near term comparison reflects the easier trend of world markets.

Comparative figures follow:

Price Range

	Latest week	Previous week	Same week last yr.
Cattle	$9.35	$9.30	$5.75
Hogs	10.90	10.90	9.60
Copper, lb.	.14	.14	.09½
Cotton, lb.	.1252	.1290	.1312
Rubber, lb.	.1890	.1906	.1641
Sugar, raw, lb. ..	.0347	.0347	.0370
Silk, lb.	1.98½	2.02	1.72½
Wheat, Man. (bu.)	1.51¼	1.44¾	.94
Coffee, lb.	.09⅝	.09⅝	.08¼
Hides	.17	.16½	.10½
Weekly Indices			
N. Y. Annalist*	95.3	95.3	82.7
Fishers'	92.5	92.9	83.3
N. Y. Journal of Comm.	91.3	92.3	81.2
Crumps (Brit.)	83.4	83.4	69.5
U. S. Labor	87.7	87.2	80.3
Canada (D.B.S.) ...	87.0	86.2	73.9

Monthly Indices

	Latest month	Prev. month	Same last year
Canada (D.B.S.)			
Retail (June)	82.6	82.3	80.0
W'sale (June)	84.1	85.1	72.3
U. S. (May)	87.4	88.0	78.6
Gt. Brit. (Apr.) ...	108.9	107.3	91.9

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle—Steers, good, over 1,050 lb., top price. Toronto: Copper-electrolytic, New York; Silk—Japanese, 13-15 New York; Sugar—96 degrees centrifugal c/f New York; Wheat—No. 1 Man. North. Ft. W.-Pt. A. Basis; Hides—No. 1 packer light native cows; Hogs—select bacons, Toronto.

*Revised.

Ottawa Seeks An Accounting Of Relief Aid

Further Step Taken to Reduce Burden on Treasury

From Our Own Correspondent

OTTAWA. — Opening a further stage of the drive to reduce the burden of unemployment relief on which the present Government has concentrated ever since it took office almost two years ago, Hon. Norman MacLeod Rogers, minister of labor, has notified the provinces that in future they will have to submit additional details of their budgetary position in order that the monthly federal grants-in-aid may be proportioned closely to their actual needs.

The new policy is viewed on Parliament Hill as the first step in reminding the provinces that the Government regards unemployment as a responsibility of the municipality in the first instance and the province in the second.

While it will be some time yet before the Dominion Government takes the stand that the relief situation has subsided to the point at which the municipalities and the provinces together can cope with it, a start is generally considered on Parliament Hill to have been made in that direction.

Signs of Improvement

Among the features of the relief and employment picture which induce optimism are:

A commencement on the part of relief costs to definitely reflect the economic improvement in the country, after having lagged stubbornly in this respect.

Effective steps on the part of the federal administration to see that relief is no longer disbursed in excess of the strict necessity for it.

Steady improvement in the volume of trade and consequent employment in the Dominion.

On the other hand, it must be remembered that the disastrous drought in western Canada bids fair to alter the whole relief and budgetary prospects which the Dominion would otherwise face.

Improvement in Canadian employment figures in the early stages of recovery affected principally workers who had not been burdening the relief rolls. Now, however, the upward movement of trade and industry has extended to the point at which it is beginning to absorb those who have been on relief in large numbers.

It is in view of this situation that the Government considers the time to have arrived at which it is entitled to check more closely its financial relations with the provinces. Prior to the accession of the present administration the monthly grants in aid to the provinces were simply lump sums fixed by a bargaining process. One of Mr. Rogers's first steps was to place them upon a basis whereby they were revised quarterly, reduced during summer months particularly, and also cut generally as economic conditions improved. Now the concrete situation which the province faces, and the province's own financial ability to cope with it, are to become factors in determining the amount.

Provincial Rights Cry

Some of the provinces are questioning, as a matter of principle, the right of the Dominion to demand budgetary details of their affairs. They contend that their autonomy is involved and are threatening to raise the cry of provincial rights. The Federal Government insists that the only point at issue is the right of the Dominion to follow through the moneys that it is disbursing.

The drought situation, if nothing else, would be sufficient justification for the federal ministers tightening the purse strings in the present year. For not only will the Dominion have to bear 100% of the cost of relief toward the people directly affected on the prairies; it will also face an increased demand from the provinces in which the drought areas are located, due to the extent to which business conditions will react to crop failure. Furthermore, Hon. C. A. Dunning's hopes of a noteworthy budgetary showing for the year are regarded as having suffered a major discouragement. The Finance Minister has given no estimate as yet of what he expects the drought situation to cost, but it is well known that he regards it as altering radically the budget outlook for the balance of the year.

Gifts Taxable For Death Duty

The Nova Scotia Supreme Court has upheld the right of the Province of Nova Scotia to collect $250,000 in succession duties upon gifts made by the late Hon. J. Robson Douglas, former lieutenant-governor, to his four daughters.

"Under the Succession Duties Act of 1916 all gifts of property without limitation as to the time they were made are liable to be taxed for succession duties," the decision of the Supreme Court stated, "however long before death the gifts may have been made."

Some years ago Mr. Douglas deposited $1 million with Douglas Rogers & Co., Amherst, N.S., for his four daughters and set aside two trust funds in the Eastern Trust Co. and one in the Montreal Trust Co. aggregating $750,000 for their benefit.

The Supreme Court held that under the amendments to the Succession Duties Act these funds should be held to be gifts passing on the death of J. Robson Douglas and taxable under the Succession Duties Act.

"The real point of interest is that the amendment to the Succession Duties Act has been held retroactive and is, therefore, applicable to all estates unsettled since 1917. In effect, all gifts made by any testators since 1917 are taxable," the court found.

Gypsum Fight Reaches Vote

Opponents of Management Continue Attack at Meeting

The battle waged between opposing groups of shareholders of Gypsum, Lime and Alabastine Canada Ltd. in letters and newspaper advertisements broke into open debate for the first time last week at the special meeting in Paris, Ont.

The meeting brought to a head the drive by supporters of R. E. Haire, to oust the board of directors headed by Col. Harry Cockshutt. While the matter was brought to a vote and the meeting adjourned for the counting of ballots it was predicted in some quarters that further troubles might lie ahead before final settlement of the controversy was reached.

The only business brought before the meeting was the resolution introduced by C. E. Silcox, Toronto, and seconded by E. W. Kay, Brantford, to remove the present board of directors.

Col. Cockshutt, supported by R. L. Kellock, counsel for the company, attempted to have the names of the new board which the Haire group intended to nominate, in the event the present board should be ousted, included in the resolution. J. F. Lash, K.C., Toronto, said that it would be improper to couple the nominations for a new board with the resolution as it would deprive shareholders of their right to nominate whom they liked for directors.

"Come out in the open; name them," urged Col. Cockshutt.

A number of Haire's supporters spoke in support of the resolution and voiced criticism of the company's progress under Col. Cockshutt's régime. No members of the Cockshutt board of directors spoke in defence of their policies.

40 Years' Association

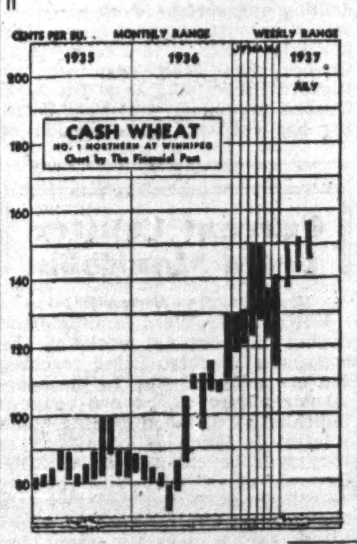
Mr. Silcox said that he and his family had been connected with Gypsum, Lime & Alabastine for 40 years.

"For years," he said, "during R. E. Haire's connection with the company, shareholders knew what to expect and always received recognition at the end of the year."

"Even if no new directors are elected, the meeting may have the effect of making the present board sit up and take notice," said F. C. Biggs, Dundas. Mr. Biggs stated that he had called on about 50 dealers in building products in Ontario and Quebec to find out "why general building was up 52% and there had only been an increase of 6% in sales of Gypsum, Lime & Alabastine." His questions, he said, had brought a "barrage" of objections to the treatment meted out to dealers by the Gypsum head office.

"As a result of this," he added, "a baby company, south of Hamilton, walks in and the business simply falls into its lap.

Wheat Prices



(Cash Quotations)

	For Week July 20 High	Low	Prev. Week High	Low
1 Man. Hard ...	1.55	1.46⅛	1.50	1.43⅜
1 Northern	1.55	1.46⅛	1.50	1.43⅜
2 Northern	1.51¾	1.43	1.48	1.41⅜
3 Northern	1.48¾	1.39	1.44¾	1.38⅝
4 Northern	1.41⅞	1.32	1.38½	1.32⅛
5 Wheat	1.32⅞	1.21¾	1.30½	1.24⅛
6 Wheat	1.27⅞	1.15¾	1.24½	1.18⅛
Feed Wheat	1.11⅞	.99¾	1.08½	1.02⅛
Vancouver: Week to July 18:				
1 Northern	1.44¼	1.39¾	1.41¼	1.37¼

Competitive Export Prices:

July shipments:	Week to July 16 High	Low
No. 1 North. (Atlan.) ...	1.69¼	1.63
No. 2 North. (Atlan.) ...	1.67	1.60¾
West Australian (afloat)	1.49⅝	1.45¼
Australian	1.48⅝	1.44½
Indian (new crop)	1.42⅝	1.37½
U. S. Soft White Pac.† ..	1.42⅛	1.37⅝
U. S. Hard Winter‡ ...	1.53	1.46⅝
Argentine (Rosafe)* ...	1.37⅝	1.34⅝

†Sept. ‡Aug.
*New crop Jan.-Feb.

Winnipeg Grain Futures

Week to July 20, 1937

Crop year from Aug. 1, 1936 High	Low		Open July 14	High for week	Low for week	Close July 20
		Wheat				
1.57	1.03¾	July	1.49½	1.57	1.46	1.46
1.47	1.04⅛	Oct.	1.42	1.47	1.37¾	1.37¾
1.43½	1.07	Dec.	1.39	1.43½	1.33¾	1.33¾
		Oats				
.70	.43⅝	July	.69½	.70	.65⅝	.65⅝
.58½	.41	Oct	.57⅝	.58	.53⅝	.53⅞
.54⅞	.38¾	Dec.	.54¼	.54⅝	.50	.50¾
		Barley				
.82½	.56¾	July	.74½	.74½	.69½	.69½
.75¼	.51	Oct.	.71¾	.71⅞	.63½	.64¼
.70¾	.58	Dec.	.69⅝	.70	.62¾	.63¾
		Flax				
2.05	1.60	July	1.84¼	1.88½	1.77	1.78
2.01	1.61	Oct.	1.88	1.88	1.79	1.79½
1.89¾	1.70¼	Dec.	1.86	1.86	1.75¾	1.75¾
		Rye				
1.50⅞	.78¼	July	1.50¾	1.57¾	1.43¼	1.50½
1.09⅛	.75⅛	Oct.	1.03	1.04½	.94⅝	.95
1.06½	.74	Dec.	1.00½	1.03	.93	.93⅛

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Week in Mining

Market Tone Is Firmer Though Volume Lacking

Gains in Base Metals and Golds Denote Growing Confidence — Russian Claims Scouted — B. C. Starts House Cleaning

Left more or less to itself, without stimulus of rumor or new reports, the mining market has exhibited a much firmer consistency of late, even garnering the courage to show a few gains. Most of these gains have been among the base metal stocks, although the gold section has not been without its advances. Volume, however, has been lacking.

Under the circumstances, a normal steadying of the market, such as is going on at present, is a much healthier condition than a violent fluctuation, even an upward one. There is no justification for such a move at present, and in the long run, it would not restore confidence.

Discounts Soviet Gold

Much of the argument heard and read during the recent gold scare involved the breath-taking growth in the production of gold from Soviet Russia. The United States, it was argued, could, and would not, continue to subsidize communism by the purchase of this tremendous output, which in a few years has grown from a negligible amount to one vying with the world's greatest source, South Africa.

In an article appearing in a United States financial weekly, grave doubt as to the validity of the production claims made by Russia is thrown by no less an expert than Arthur Notman, New York consulting engineer and geologist, who was at one time president of the Mining and Metallurgical Society of America, and is well known in Canada for his work in connection with British Columbia mining.

Mr. Notman does not doubt that Russia has the gold as reported, but he doubts very much whether it is newly mined gold.

Assuming that the increased gold output has been derived from placer operations, Mr. Notman states, and that the average grade of material handled was 50 cents a cubic yard, (a very high recovery) the increased output of 5,350,000 ounces since 1932 would call for 600 giant dredges, taking for granted that in northern Siberia the dredges could operate only about 150 days per year. It is inconceivable that that number of dredges could have been built in the world, let alone in Russia, and started profitable operation in four years time, Mr. Notman points out.

If it is assumed that the increased production comes from lode mines, as rich as those in eastern Canada, it would involve the mining of over 20 million tons of $12 ore per year. This is equally inconceivable, Mr. Notman finds.

The only conclusion is that a major portion of Russia's ominously rising "production" comes from hoarded stocks of gold, and is therefore, of brief duration.

* * *

B. C. House Cleaning

While doubtlessly their final pronouncements will be branded "bureaucratic" by those mining interests which dislike any sort of regulation, it is reassuring to note that in redrafting its securities administration, the Province of British Columbia is behaving in anything but an autocratic or bureaucratic manner. The advice of the Vancouver Stock Exchange, Board of Trade, Chamber of Mines, Canadian Mining Association, and other bodies has been asked and given in connection with the new administration. The province is apparently "making haste slowly," in reorganizing this important department of government service. If such a policy is pursued, there seems little doubt that a greatly improved system of securities regulation will emerge, a system much needed if British Columbia mining is not to suffer.

Reports from the West indicate that among the suggestions made by representatives of the above groups to the Government is that the Securities Act be so worded as to leave no room for misinterpretation. Interpretation of any act should not be left to one official.

This has, in the past, been one of the greatest stumbling blocks to the smooth administration of security regulations in any province.

* * *

Hollinger's Six Months

Slight reduction in number of tons milled, plus higher operating expenses and slightly reduced miscellaneous income, offset a higher recovery per ton, and resulted in lower net earnings for Hollinger Consolidated Mines in the first half of this year.

As shown in the table in another column, net earnings for the first half of this year were about 55 cents, against 63 cents in the first half of 1936. This indicates a net for the year of about $1.10 against $1.18 in 1936.

The higher recovery per ton, which rose from $8.40 in the first half of 1936 and $8.16 in the second half, to $8.57 in the first half of 1937, is an interesting trend, and enabled the company to maintain net earnings on the same level as that in the last half of 1936. It is in keeping with the report that Hollinger is about finished with its programme of cleaning up lower grade ore from upper levels.

* * *

Central Patricia

Among the companies which, in contrast to the market's inertia, have been obtaining exceptionally good results from development work is the property of Central Patricia Mines, in the Patricia area of Ontario. Here the main shaft is being sunk from the 1,000-foot level to the 1,500-foot horizon, making available for development four deep levels. Officials of the company inform The Post that the ore situation on the present bottom level, the 1,000-foot, is opening up in a very satisfactory manner, with very good lengths and values.

If the four new levels, on which lateral work is about to start, below the 1,000-foot, prove up the continuation of the ore bodies to these depths, a considerable quantity of ore would be added to this company's already satisfactory store.

* * *

Index to Mining Stocks

Subsequent to a week of rising prices, little definite trend was apparent on the Canadian mining stock market on July 9 and 10. A brisk upward movement in gold featured the middle of the week and the Dominion Bureau of Statistics' index for this section advanced from 108.6 on July 10 to 110.9 on July 14. As profit-taking set in on the final day of the week, the index was fractionally lower at 109.6. Interest in the base metal group was dull and the index drifted irregularly lower from 280.9 to 276.7 between July 9 and 15. Trading during the past week was heavier, expansion in volume being noticed in the latter part of the period. The general price index of 24 mining stocks mounted 3.4 to 142.7 for the week ended July 15, with the gold group up 2.4 to 110.1 and base metals up 6.8 to 278.7.

Mining Company Charters

Ascot Holdings—Que. incorp. June 21, 1937. H. O. Amos. Auth. cap. 20,000 shares, $1 par.

* * *

Chien D'Or Exploration—Ont. incorp. June 24, 1937. H. O. Toronto. Auth. cap. 30,000 shares, $10 par.

* * *

Childs Gold Mines—Ont. incorp. June 23, 1937. H. O. Toronto. Auth. cap. 10,000 shares, $10 par.

* * *

Goldlure Mining Syndicate—Ont. incorp. June 26, 1937. H. O. Toronto. Auth. cap. 35,000 shares, $1 par.

* * *

Marva Gold Mines (1937)—Que. incorp. June 14, 1937. H. O. 275 St. James St. W., Montreal.

* * *

Soroda Gold Mines—Que. incorp. June 2, 1937, H. O. Quebec. Auth. cap. 1,000,000 shares, $1 par.

Additional Acreage Is Optioned by Alco

Alco Oils Ltd. have taken an option on 80 acres, L.S.D. 5, and 12, adjoining its own 40 acres drilling site on Section 29, Twp. 18, in the Turner Valley.

If the option is realized, it will give Alco the largest holdings.

Agreements have been entered into for the financing of Alco, Walter Wait, sec.-treas., informs The Financial Post, with eastern interests, and it is expected that the company's first well will be spudded in on L.S.D. 13, sec. 29, before Sept. 1.

The board now comprises Lieut.-Col. Norman D. Dingle, K.C., pres.; James Wordie, John Tully, J. C. Conway, Andrew Davison, and W. Wait, of Calgary, and H. B. McKelvie, Vancouver. It is expected that two directors from the East will be added to the board in the near future.

Mining Dividends

	Rate	Close July 19	Yield %
Anglo-Huronian	20c	5.75	..
Beattie Gold	5c	1.25	..
Bralorne	40c+25c	7.65	*8.5
Buffalo Ankerite	.50c+12½c	9.00	*6.9
Bulolo Gold	‡1.50	25.25	..
Cariboo	10c	1.55	6.4
Central Patricia	8c	2.80	..
Coniagas	12½c	2.16	..
Coniaurum	5c	1.50	..
Cons. Smelters	50c+$1	80.75	..
Dome Mines	$2+$2	40.50	*9.9
Falconbridge	30c	7.80	3.8
Hollinger	65c+45c	11.37	*9.6
Howey Gold	4c	.35	..
Hudson Bay	75c	31.75	..
Island Mountain	‡5c	.70	..
Inter. Mining	30c	11.12	..
Inter. Nickel, com. ..	$2	63.25	3.2
Kerr Lake	5c	.40	..
Kirk. Lake	‡3c	1.36	..
Lake Shore	$4+$1	51.00	*9.8
Lava Cap M.	5c	1.30	..
Little Long Lac	30c	5.45	..
Macassa	15c	5.45	2.7
McIntyre	$2	37.00	5.4
McKenzie Red Lake	4c	1.23	..
McKinley Sec.	5c	.65	..
Noranda	‡$1.75	65.50	..
Nor. Can. Mining ..	‡2c	.70	..
Nipissing	25c	2.60	..
Placer Develop.	‡60c	15.00	..
Premier	12c+3c	2.45	*6.1
Pioneer, B.C.	40c	3.90	10.2
Pickle Crow	40c	5.65	7.1
Reno	12c	1.00	12
San Antonio	7c	1.95	..
Sheep Creek	8c+1c	.80	*11.2
Siscoe	20c+1c	3.70	*5.6
Sudbury Basin	†10c	4.15	..
Sullivan Cons.	†2½c	1.26	..
Sylvanite	20c+5c	3.10	*8.1
Teck-Hughes	40c+5c	4.95	*9.1
Toburn	8c	2.60	3.1
Ventures	†12½c	7.90	..
Wright-Har.	40c+25c	6.60	*9.8

‡Interim. †Initial.
*Yield includes bonus.

Cline Lake Gold Mine Makes Headway on Shaft

From Our Own Correspondent

MONTREAL.—Cline Lake Gold Mines reports that the shaft has been completed to a depth of 353 ft., immediately below which a heavy seam of water estimated at 65 gallons a minute was encountered. This has now been successfully sealed off and sinking was resumed about July 10.

Kerr-Addison Planning Mill

Company's Position Is Sound, Annual Report Indicates

In the opinion of its directors, there is a sufficiently large body of ore indicated at Kerr-Addison Gold Mines to warrant the immediate construction of a 500-ton mill, says George B. Webster, president, in a report to shareholders covering the company's affairs since its incorporation on April 9, 1936, to June 30, 1937.

In their report, M. F. Fairlie and W. H. Emens, Kerr-Addison's consultants, state that the tonnage developed above the 300-ft. horizon totals 439,000 tons, running $10.59 per ton uncut and $6.75 cut. Diamond drill holes from surface, and raising from the 175-ft. level to the adit level, assure continuity of values between levels.

To June 30, 1937, the main ore body has been delimited and sampled to the 300-ft. level, with 600,000 tons of ore developed and partially developed to a horizon 50 ft. below that level. An additional 400,000 tons is "indicated" by diamond drilling, to a depth of 500 ft. This will shortly be subject to verification by underground development.

Many factors, says the report, favor unusually low pre-production costs and eventual low operating costs, among these being a concentrated ore body of good width, easy accessibility by road and highway, ample and cheap electric power, good water supply and townsite facilities. The ore is of a type easy to drill and break.

Plans are being made for mine and mill equipment with eventual capacity of 1,000 tons daily. A new production shaft will be sunk to 750 ft. in its first stage. No. 1 shaft is being deepened to 750 ft. Levels are to be opened at 500 and 700 ft., when underground development will be pushed.

Sinking of both shafts will be continued beyond 750 ft. for the development of lower horizons. Kerr-Addison, Mr. Webster points out, had on hand as at June 30, this year, $1,322,251, with $42,343 due from subscribers.

Current assets as at June 30 totalled $1,369,748 against current liabilities of $56,076.

Quebec Staking Activity Far Exceeds 1936 Figure

QUEBEC.—Considerable activity in mining fields is recorded in the Province of Quebec so far this year, with no fewer than 6,742 claims being registered with the Provincial Bureau of Mines for the first three months of 1937, this comparing with 2,810 for the first three months of last year.

Mining officials expect that last year's total of 17,503 claims registered will be more than doubled this year, for no fewer than 11,659 claims were recorded and staked in the province for the first six months of the present year, with the majority of them in the Laurentian plateau, near the Bell River, but a short distance from the Ontario border.

Claims on the part of geologists, to the effect that the Laurentian plateau of Quebec is of the same geological formation as is that in the Ontario mining belt, have led to a number of prospectors setting out, in the hope of finding bonanzas and mines such as are at Porcupine and Kirkland Lake.

The Chibougamau and Abitibi regions have attracted a number of prospectors, whose interest has been whetted by reports of fairly interesting "finds," and all in all, mining officials look to 1937 as being one of the best mining years in the history of the province.

Profits Gain Reported By Canadian Malartic

A marked drop in recovery per ton at Canadian Malartic Gold Mines, Ventures subsidiary in Quebec, during the quarter ended June 30 last, was more than offset by the higher tonnage treated. Also, operating costs were reduced to $2.39 per ton, with the result that an operating profit for the quarter of $125,689 is shown, before depreciation, taxes or deferred development. This compares with an operating profit of $29,764 in the second quarter of 1936.

During June, average daily tonnage treated amounted to 681 tons. The ore came mainly from the ends of the south ore body but stoping was started on the north limb above the fifth level. Drilling on the fifth level indicates that vein 601 persists upward at least 125 feet, and the rated grade of 0.6 ounces per ton will be maintained.

Quarterly Earnings
3 Months Ended June 30

	1937 $	1936 $
Metal produced	274,975	160,062
Less: Market expend.	3,720	2,230
	271,255	157,832
Less operating costs:		
Diamond drilling ..	2,399	4,332
Mine develop.	17,871	47,300
Stoping	58,393	31,014
Milling	44,273	25,108
Mine office	8,100	7,052
Gen. exp. at prop.	7,423	7,805
	138,469	122,611
Gen. & admin. exp. .	7,097	5,456
Total cost	145,566	128,067
Operating profit* ...	125,689	29,764
Capital expenditure .	19,853	21,958
*Before depreciation, deferred development and taxes.		
Production:		
Tons milled	61,004	28,444
Average recovery ..	4.50	5.62

Recovery at Dome Higher in 6 Months

Considerably higher recovery per ton was obtained by Dome Mines in the first six months of this year, as compared with the similar period last year. This fact, plus higher tonnage treated, more than offset slightly higher costs, and resulted in net earnings per share for the six-month period of $2.21, as against $2.01 in the first half of 1936.

Earnings:	1937 $	1936 $
Bullion production ...	3,760,285	3,352,388
Less: Devel., oper. & gen. exps.	1,433,096	1,220,348
Taxes	355,608	351,734
Outside explor. w/o	1,797	11,833
Operating profit	1,969,784	1,768,473
Add: Non-oper. inc. .	182,995	183,995
Est. net profit, before depr., depl. and surp. adj.	2,152,779	1,952,463
Earnings per Share ..	$2.21	$2.01
Production:		
Tons milled	287,000	276,800
Fine ounces gold ...	107,271	96,458
Recovery per ton ..	$13.10	$12.11

News Concentrates

Arrowhead Gold Mine in Joannes twp., Quebec, is reported to have encountered the B vein on the 350-ft. level. It is understood that where cut the vein is about 2 ft. wide, showing some visible gold, with several rounds taken out. Drifting on this vein is proceeding on the bottom level, together with crosscutting to A vein.

* * *

Beaufor Mining Corp., reporting on development for the period June 16-30, Beaufor Mine advises that a raise was advanced 41.4 ft. to 108.3 ft., and that this intersected the ore in surface drill hole M-5, an assay of $5.25 per ton being returned from the point where the ore was cut in the raise. This vein appears strong, says J. P. Norrie, consultant, and will be opened by drifting east and west. A vein was intersected in horizontal drill hole No. 214, and this will immediately be opened by a crosscut. Flat diamond drilling will be continued north and south from 604 drift at 75-ft. intervals.

* * *

Delosha Porcupine Mines has located a new quartz vein west of the main vein system at the property in Shaw twp., Porcupine district. C. O. Smokler, mine manager, reports that the vein is now being opened for sampling. It has been traced for some distance and shows a width of 15-20 feet. Vein is well mineralized. Delosha is continuing to explore the porphyry and iron dyke recently uncovered. On the main occurrences surface work which was previously carried eastward is being concentrated to the west.

* * *

Doreva Gold Mines, in Bousquet twp., Quebec, has begun shaft sinking to the 300-foot level following determination of favorable ore conditions at the 150-foot level. A crosscut some 50 feet wide on the first level was driven south to and through the No. 1 vein, which was about 14 feet wide. Crosscut is being extended for further exploration of the mineralized zones revealed by diamond drilling and lying in that direction.

* * *

Fontana Gold Mines, in northwest Quebec, has decided to open its first level at 175 and not 150 feet, upon the advice of J. M. Forbes, consultant. It is considered that this will give better backing. Mr. Forbes further advises that the first level be opened immediately before going to the 300-foot horizon. Samples taken from the shaft at depths of 135 and 145 feet have been sent to Fontana's head office.

* * *

Ivan-Larder Lake Mines has so far completed over 2,500 feet of trenching and test-pitting at its Larder Lake holdings. No. 1 vein is 4-9 feet wide and has been panned for 600 feet. Gold can be panned for 150 feet along the vein, it is reported. No. 2 vein, on the northern part of the property, is opened for about 600 feet and runs 9 feet wide. A vein approximately 8 feet wide, well mineralized, has been uncovered on the southern ground in the porphyry contact.

* * *

Lacoma Gold Mines is sampling the new vein on the first level. A channel sample taken by an independent engineer returned $11.75 across 7 feet, it is reported, while a 1,000-lb. bulk sample taken by the company's engineer returned $11.95. It is understood that the company plans to install a small test mill.

* * *

Lakeport Gold Mines will hold its annual meeting at Port Arthur, on July 28, 1937.

* * *

Magwell Long Lac Gold, in Long Lac area, west of Little Long Lac and adjoining Jellicoe on the north, now has its No. 1 drill hole down over 442 feet. Drill is now in conglomerate. Core samples have been sent out for assay. This is the first hole to reach this horizon on the north limb of the large syncline and results from it will be important from a structural angle, says Lawrence B. Wright, consulting engineer.

* * *

Payore Gold Mines is advised from the property that on the 104 and 254-foot drifts 150 feet of ore running $9.40 per ton across full drift widths have been exposed. In the south crosscut on the 125-foot level 50 feet of ore in the last two rounds are reported to have run $35.35 and $46.20 across full drift widths, with both walls still in ore. It is anticipated that the electrical plant will be completed within a fortnight to give four to five times the present plant capacity, generating 400-500 horsepower.

* * *

Rochette Gold Mines plans to sink a shaft shortly to 125 feet to explore a narrow fissure vein from which drilling and surface work have returned encouraging gold assays. The property, which is in Launay twp., Quebec, has been examined by Richard Parkes, M.E., and Dr. Ross, Quebec provincial geologist. Drilling has checked the extension of No. 1 vein between 175-400 feet. Officials report gold values in sections of quartz porphyry.

* * *

Schreiber Pyramid will receive a cash consideration of $10,000 and 350,000 shares of Kenecho Gold Mines following ratification by Schreiber shareholders of an agreement whereby Kenecho buys outright the main part of the Schreiber Pyramid mine and all mining and milling equipment thereon. Kenecho secures 15 of Schreiber's 21 claims through the agreement and has a two-year option to buy the six remaining claims for a further cash consideration of $10,000. In addition to its new holdings, which it will develop this summer, Kenecho owns a large property adjoining the Errington Rowan Lake property and a second group southwest from Kenricia in Lake of the Woods area. Schreiber will use the cash to liquidate debts and hold the share consideration as an equity in Kenecho's three mining projects.

* * *

Wascanna Mines has picked up the upward extension of the second lens now being opened on the 200-foot level at its property in Tashota district. The extension was picked up in diamond drilling from the 100-foot level. The one lens so far opened on the 100-foot level ran $12.50 over 7½ feet for 135 feet. Same zone has shown length of about 100 feet on the 200-foot level.

Before an estimate of the average grade of material disclosed on the 200-foot level is made, bulk sampling will be done. Company plans to drill southwest of the shaft to secure additional information.

* * *

Yama Gold Mines reports officially that preliminary assays from its recent strike on the Bileski or No. 3 property have shown good ore. The line of strike is protected for over half a mile within the boundaries of the company's property. On the No. 2 property, known as the McKnight group and also in Larder Lake area, some 2,000 feet of trenching has disclosed three parallel breaks, all associated with porphyry intrusions. The new government road to Martin-Bird, as surveyed, touches the McKnight group and comes in close proximity to the Bileski group.

* * *

Bruell Gold Mines (1936) will begin drilling immediately to explore the No. 7 break on its Vauquelin twp., Quebec, property, reports Eugene Bruell, president. The company has bought a heavy diamond drill. No. 7 break is 30-35 ft. wide and has been traced for about 400 ft. No. 2 shaft is being carried to 125 ft. on this break, and at this horizon drifting east and west is planned.

* * *

Fleming Mines is currently drilling a series of short holes at its property south and east of Quebec Manitou. Some holes have already been drilled to 400-500 ft. Five distinct mineralized zones have so far been intersected. Surface work is being done on the northwest section of the holdings in an effort to pick up the continuation of the Quebec Manitou vein system.

* * *

Freegold Mines drifting on No. 1 vein on the 125-ft. level of its property in Launay twp., Quebec, has advanced 80 ft., reports R. C. Bryden, consultant. The first 20 ft. showed good structure but ore of low value. From 20 to 60 ft. a vein width up to 8 ft. was disclosed, showing both finely disseminated and coarse gold. Channel samples, taken at 2½-ft. intervals, returned an average value of $14 per ton over 5½ ft. for about 40 ft. Values are low and erratic from 60 ft. to the present face because of an intrusive feldspar porphyry dyke, which cuts the vein at a very sharp angle and apparently splits it. A few rounds ahead slashing will be done to determine the true vein width. Heading will be pushed as rapidly as possible along and toward the objective, No. 3 drill hole, Mr. Bryden reports.

* * *

Kanasuta Gold Mines in Duparquet twp., Quebec, and bounded on the north and east by Beattie Gold, has exposed a wide body of porphyry on the western part of its property. Shear zones are reported to have been uncovered recently in this section. Heavy overburden covers the eastern two-thirds of the holdings, and this area is being explored by diamond drilling. The company intends to start a second drill working immediately.

* * *

Senore Gold Mines has cut the main shear between 230-260 ft. in diamond drill hole No. 33, according to word from the property in Senneville and Pascalis twps., Quebec. Assays have not yet been received. Hole No. 33 was spotted 210 ft. west and 175 ft. north of hole No. 28, and appears to prove the existence of a continuous shear zone 10-50 ft. wide over 910 ft.

* * *

South Tiblemont Gold Mines. At the request of the company shares of this stock are being removed from the Toronto Stock Exchange.

Current Chatter From Manitoba

From Our Own Correspondent

WINNIPEG.—Word is anticipated during the coming week of the crosscut at Sachigo River reaching the ore body. Owing to the spectacular nature of the ore body as indicated by diamond drilling, much interest is taken in conditions as they will be exposed by drifting. Several other properties in the neighborhood, including Dickson Sachigo and Central Sachigo, all of which are in close proximity to Sachigo River, have had crews working on surface for several weeks now. Finds have been reported which give an indicated length of more than a mile of the break on which Sachigo River made its important finds.

* * *

Wendigo Output Up

Output for the first 10 days of July at the Wendigo Mine, 22 miles from Kenora, was $10,025. Returns for June were $23,000. The mill is at present handling 60 tons daily and with the addition of a ball mill may easily be stepped up to 100 tons. The discovery of the additional veins on the 350- and 500-foot levels has changed the entire picture at this property and indications are the most satisfactory in the history of the mine.

Goldbanks Mines Succeeds Goldbanks-Kirkland Mines

Goldbanks Mines has been formed under Ontario charter to acquire the assets of Goldbanks-Kirkland Mines, which held 300 acres in Teck twp., Larder Lake area. Shares will be exchangeable on the basis of one Goldbanks Mines for two shares of Goldbanks-Kirkland Mines.

Directors of the new company are: Dr. A. J. MacKinnon, Zurich, Ont., president; Thomas Clift, London, vice-president; C. W. Baker, secretary-treasurer, London; A. E. Gray, Walter A. Little, M.P., J. J. Edward, A. G. Macdonald, directors. The directors are meeting shortly to consider offers of financing and plan for the proposed campaign of deep diamond drilling.

Malartic Gold Fields Extends Main Ore Zone

From Our Own Correspondent

MONTREAL.—J. P. Norrie, in reporting progress at Malartic Gold Fields for the period June 15 to June 30, states that the main ore zone has been extended to 1,200 feet with indications of depth possibilities below the 600-foot level.

The report states: "The depth possibilities of the zone were indicated in hole No. 27 which cut an ore section of well mineralized quartz and porphyry from 672 feet to 674.5 feet, assaying $5.60 per ton."

May Gold Output Hits New Peak

Another monthly production record was set in May by Canada's gold producing mines, according to figures just released by the Dominion Bureau of Statistics. In that month 340,125 ounces, valued at $11,883,967 were produced, compared with 323,337 ounces valued at $11,300,628 in April.

According to the American Bureau of Metal Statistics, the world output of gold in May amounted to 3,075,000 ounces, a sharp increase from the 2,970,000 ounces produced in April. South Africa produced 970,000 ounces in May as compared with 980,000 in April. United States production in May was 407,075, which includes Philippine production.

O'Brien Gold Has Rich Ore

Recovery for 9 Months $825,826 — Average Grade $40.95

From Our Own Correspondent

An average grade of ore mined was $40.95 per ton at O'Brien Gold Mines for the first nine months of the company's fiscal year. During this period gold production amounted to $825,586, from 20,790 tons. This makes a recovery per ton of approximately $39.71.

According to a summary issued by J. G. Dickenson, vice-president and general manager, operating expenses amounted to $227,620 with development and drilling expenses of $31,300. During the last four-week period operating costs have been reduced to $6.88 per ton, it is stated, and the mill is operating at approximately 150 tons per day.

Development

According to the report, the development on the 10th level west has been as good as that through the high-grade sections of the 6th and 8th levels. There has been no advance made to the east on this level.

On the 11th and 12th levels to the west there are not sufficient exposures to establish the picture, although results have been favorable. To the east, on the 11th level, the usual lean zone has been drifted on for 160 ft., with values now beginning to improve as the downward extension of the eastern ore zone is approached. On the 12th level, drifting has advanced 175 ft. to the east with the last 45 ft. showing a narrow quartz vein with high values.

The 13th level, to the west, had advanced 262 ft. on July 12, 1937, and while the vein is continuous and stronger than on any of the levels below the 9th level and shows some very fine free gold, values in general to date have been low. The major portion of the favorable ground, on this level, is still to be explored, however. No advance has been made on this level to the east.

The new shaft is now down 478 ft., with three stations established. The sinking has been continuous at the rate of about 51 ft. per week and the shaft will be extended to 595 ft.

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Duport Mine Taking Shape

Estimate 200,000 Tons of $16 Ore Indicated Above 500 Foot

Exploration carried on to date by diamond drilling and underground work at the property of Duport Mining Co. in the Kenora division, allows for an ore estimate to a depth of about 500 feet of 200,000 tons, averaging about $16 a ton, J. G. Cross, president, states. This estimate, he points out, does not include any possible ore occurrences north of the shaft, or possible tonnage from parallel veins.

Mr. Cross reports that while the company has proved little in regard to ore possibilities at depth the ground has been partially explored by diamond drilling below the fourth level to a depth between 400 and 500 feet, with favorable results. The fourth level gave better results, both in regard to width and values, than the third level.

The mineralized area explored and partially explored so far has a length of over 2,500 feet. The possibilities of finding more ore in both directions have by no means been exhausted, in the opinion of the management. The ore zone is open at both ends and structural conditions, and the general geological setup are favorable for ore occurrences for several thousand feet of Duport Ground in both directions.

Annual meeting of shareholders is being held on July 27, in Port Arthur.

Mary-Jane Copper Mines To Resume Development

Mary-Jane Copper Mines, closed in 1932 because of adverse market prices for base metals, and which holds 600 acres in Destor twp., Quebec, will shortly resume a development programme, T. W. Smith, secretary-treasurer, announces. Recently completed financing arrangements will secure capital.

Toronto Lists Home Oil Stock

Company Plans Two New Wells on Alberta Oil and Gas Structures

Shares of Home Oil Co. were traded in on the mining section of The Toronto Stock Exchange on July 14 last.

The company, capitalized at three million shares no par value, reports that in addition to the 880,000 shares issued for assets of the predecessor company, Home Oil Co., some 736,101 shares have been sold for cash, at $2 per share net to the treasury, making a total issued capitalization of 1,616,101 shares, and leaving 1,383,899 shares in the treasury. No stock is under option or underwriting agreement.

Home Oil owns 7,500 acres in one block in North Turner Valley; 1,021 acres on the west flank of Turner Valley; one-half interest in Brazeau Development which owns permits covering 64,500 acres on Brazeau structure, Alberta (an agreement is now under way whereby Home Oil will own about 80% of a new company to be formed to take over Brazeau Development); 107,000 acres in the Grande Prairie area of Alberta by permits and 4,022 acres in West Coutts, near the international boundary.

The company is drilling a well on L.S.D. 8, sec. 33, Twp. 20, Range 3, west of the 5th meridian, in the North Turner Valley, with rotary equipment. It is also making a road into the Brazeau field, and will start drilling as soon as this is completed. A contract has been let for drilling a well on Coutts acreage.

Directors of the newly listed company are as follows: J. W. Stewart, chairman of the board; Nelson Spencer, president; Victor Odlum, vice-president; W. H. Malkin, James R. Lowery, A. L. Hager, Stanley Burke, J. W. deB. Farris, all of Vancouver; R. H. B. Ker, Victoria; E. Gerald Hanson, Montreal, and Manning W. Doherty, Toronto, directors.

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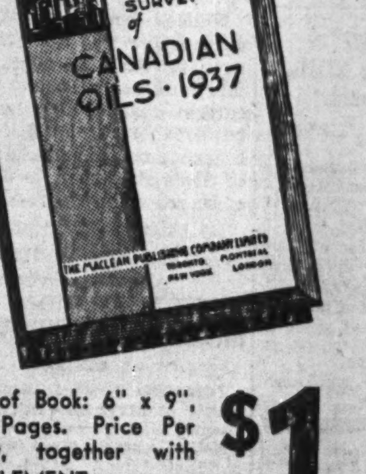

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Diagnosing Mining Market Maladies

Improved Outlook Fails to Budge Market on Gold Shares — Public Apathy Seen

By WILFRID SANDERS
Mining Editor, The Financial Post

Are mining stocks on the bargain counter at present prices?

Sharp contrast between the prices now prevailing for all classes of mining stocks, particularly the gold stocks, and those prevailing earlier in the year, make the question a logical and important one. It is the keynote of nine in ten letters reaching the mining department of The Financial Post.

Unfortunately, there is no such thing as a normal level for mining stock prices, a fact which makes such a question as the above all the more difficult to answer. There are, it is true, several rough and ready yardsticks by which the price level of mining stocks can be gauged, but these standards are completely unequipped to cope with such intangibles as the future price of gold and labor unrest, two dominant causes of the market decline.

There is, therefore, no handy tool with which mine shares may be measured, and classified as under or over priced, even in times of such broad price fluctuations as those occurring this year.

With no illusions on this point, the investor or speculator can approach today's market and dispassionately study the chances of higher prices in the not too distant future, in both golds and base metals.

Gold Feeling

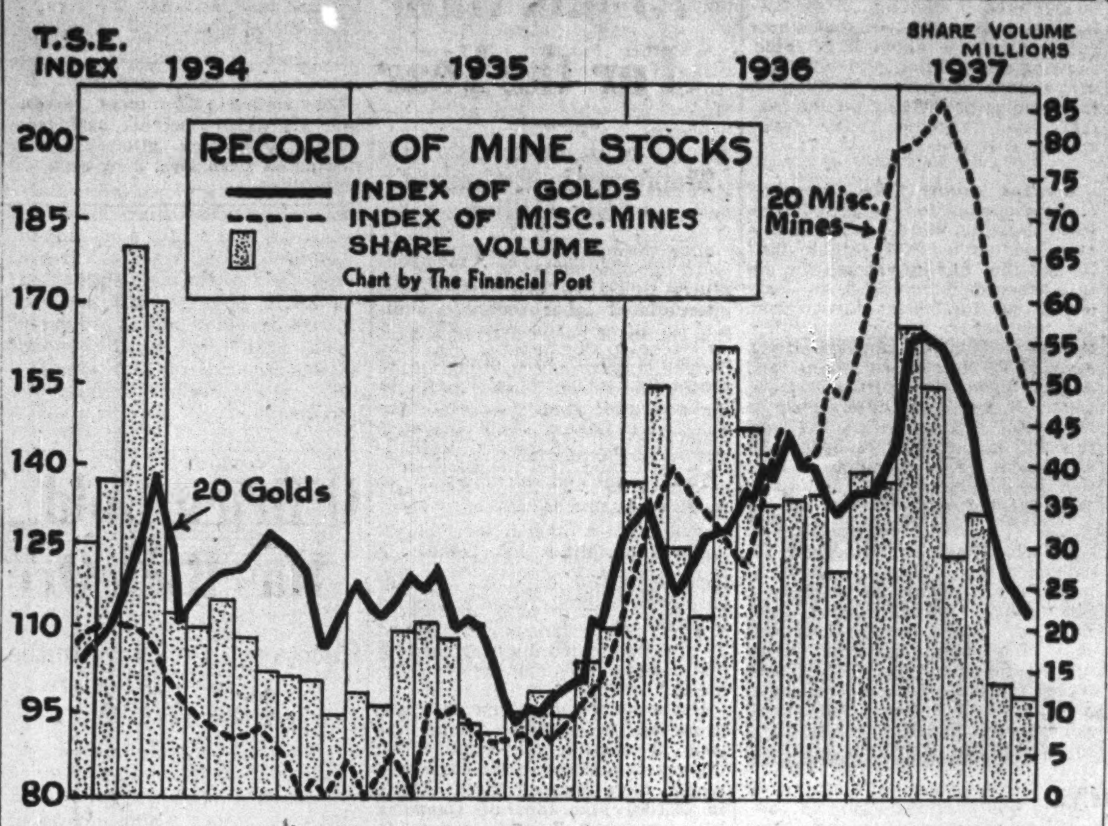
To deal with the gold shares first, it is now generally known that the reasons why these shares dropped so precipitately from levels reached early this year were

(a) Fears as to the price of gold;
(b) Fear of labor trouble;
(c) Waning interest on the part of the public.

Under the latter heading must be included the fact that as in every boom, the market had more issues to digest than it could manage, and that prices were in general, unjustifiably high.

Since gold first started to drop on rumors of a lower price portending, the only actual developments which have taken place have been favorable to a continuance (for the immediate future), of the present price. In other words, we have been presented with the paradoxical picture in which, as the gold situation steadily cleared, gold stocks steadily dropped until quite recently, when a firmer tone has been noticeable in the market.

There is only one conclusion to be drawn from this paradox; while the "gold scare" was undoubtedly the major force in stopping the upward soaring gold stocks, and starting them on their downward journey, some other factor kept them going, and the gold uncertainty alone has not been the dominating influence in past months. This statement must, of course, be qualified to the extent that long term fears for gold are undoubtedly influencing the present gold share market, but this influence has been present for a long time, and was present even during the boom of a few months ago.



THREE AND A HALF YEARS MARKET — The above chart traces the course of the gold and base metal stocks on the Toronto Stock Exchange, as shown by the Toronto Stock Exchange Index, as compared with the volume of sales. The dotted line, shown as 20 miscellaneous mines, is activated largely by the base metal stocks and is therefore indicative of the trend of these stocks. It is noteworthy that at times of rising market prices, volume of shares traded is usually well in advance of the price level, with a reverse action taking place during falling market.

Labor a Factor

Labor remains a factor, although here again the tension seems to be lightening visibly. The failure of the Committee for Industrial Organization to win any concessions in the Cariboo area of British Columbia, together with the manner in which that strike was handled must have been an eye-opener to Canadian miners. While rumors that trouble at this mine and that mine are imminent still leap from nowhere in the cities from time to time, there has been no evidence that labor-employer relationships are coming to a head in the north. "Demands" have been formulated, but at time of writing have not been presented.

It seems evident that the failure of the market to react to what are undoubtedly better conditions, although perhaps temporary as regards gold and labor must be placed squarely on the doorstep of public apathy.

It will be recalled that the rising trend of mining share prices started early last year, as the result of a rich strike made by a mine in the Little Long Lac field. This good news was followed by similar encouraging reports from other properties, culminating in the sensational O'Brien ore. Good news semed to attract good news, as a snowball attracts snow.

Withholding News

Today, a reversal of this phenomenon is apparent. Operators feel that the public is unreceptive and apathetic, and many developing prospects are deliberately withholding news of their developments. As long as this news is withheld, the public will, of course, remain apathetic.

Some observers see in this grounds for believing that when the accumulation of good news is released, when the complete report on the summer's work at these properties is made, the impact will serve to give the market the necessary fillip, and send the trend line once more on its upward climb. This happy event, these men predict, will take place in the autumn when the field men draw up their reports for directors on the season's work.

Whether or not this line of reasoning is sound, it seems true that the public requires either some major break, comparable to that at O'Brien last year, or a big accumulation of news from diverse properties to whip its enthusiasm to the point reached early this year.

All this is assuming that such an objective is desirable, an assumption which the more conservative mining man would hesitate to accept. Even the non-conservative mining man, to give the "boomer" a respectable title, would admit that prices during the height of the boom could not be justified by property progress or general outlook.

Public Psychology

To discuss whether or not a certain price level for a mining stock is justified or not, is an entirely different thing from discussing whether the stock is going higher or lower. It is probably not going too far to say that some rise in the general price level of gold stocks is justified, under present conditions, and in view of the high yields which present low prices create. Whether or not this rise will occur depends, as we have tried to demonstrate, largely on public psychology, a factor entirely too ephemeral to forecast. Herein, apparently, lies the main clue to future market action.

In view of uncertainty surrounding the future action of gold stocks, many investment counsellors, with obvious justification, are advising those of their clients who do not wish to take a chance on public

Base Metals Expected to Follow Lead of Industrials When Market Lull Ends

mood, to limit their commitments in mines to those properties which are now in production at 100 tons per day or over, or to those mines which will be in production before the end of this year on this basis.

W. C. Pitfield & Co. in a recently issued survey of the gold dilemma and its effect on the investor, states "We believe that a property which is not producing or commencing production this year at the rate of at least 100 tons daily with a minimum of two years ore ahead of the mill at this rate and with an average grade of $10 per ton (unless there is a substantial tonnage and low cost as an offset to this condition) should be weeded out of an investor's or speculator's portfolio."

Base Metals

In dealing with the base metal stocks, an entirely different set of standards must, of course, be applied. These stocks follow much more closely the course of industrial stocks than do the gold, simply because demand for base metals wanes and waxes with the rising and falling of industrial activity.

As has been pointed out in previous articles, business today is good, despite the market, and there is as yet no indication that armament demand is falling off. World surpluses of copper, lead and zinc, which, during the depression, had such a burdening effect on prices, have been virtually exhausted for many months, and supplies of these metals are now at a level which is considered "normal."

The situation surrounding the base metal stocks is less beclouded than that surrounding golds. While the base metal mines, like the gold mines, are, of course, subject to the general labor uncertainty, the fact that these mines have not enjoyed several years of prosperity, as have the golds, makes them more difficult targets for the slings and arrows of industrial unions.

Unlike the golds, base metals have not a fixed price for their products, and broadly speaking, rising production costs may be expected to be largely offset by higher prices for their products.

If, as is the preponderant opinion, the present lull in the general market is only a temporary reaction in the long term recovery movement which started three years ago, base metal stocks are in the same position as the industrials, discussed in last week's issue of The Financial Post.

In the case of both golds and base metals, the drop in market prices must be considered as a costly but natural, and probably beneficial reaction from generally inflated prices. If prices had continued to climb, the reaction would have been inevitable, and much more costly than it has been.

Rising Prices Aid Dividends Of B.C. Mines

Production Also Greater in Pacific Province—Copper Leads

From Our Own Correspondent

VANCOUVER. — Dividends paid by British Columbia mining companies this year will be greater than last year, according to present indications. Dividends for the six months' period ending June 30 were substantially greater than for the corresponding period in 1936, and those declared for payment in July are double the amount declared for payment in July and August, 1936. So far this year dividends to the amount of $7,286,373 have been declared.

Value of production and increase in dividends are not due to increasing volume of output but to rising prices.

If the present rate of production continues without serious interruption, British Columbia's mining output will be worth more than $70 millions, the provincial government estimates. This will be an all-time peak, although volume of production will probably not exceed that of 1929.

According to an official review of the situation for the first six months of 1937, value of production is already up by $12,661,241 compared with last year. This represents an increase of 53.4%. So far, the value of production is $36,383,540, compared with $23,722,299 last year.

Copper Has Biggest Gain

Greatest gains have been recorded in copper, which jumped from $803,970 last year to $2,509,192, a 213% advance. Chief contributor to this increase was Britannia Mining & Smelting Company, which, although operating the lowest grade copper in the world, has reduced cost of operation to such an extent that present metal prices justify increased operation.

Copper will show a still further gain for the second half of the year because Granby Mining & Smelting Co. will not resume operation until June 1. The company is selling its entire output to Japan, the ore coming from Copper Mountain near Allenby.

Lead Output Higher

Value of lead showed the next highest gain, increasing for the six-month period from $5,695,920 to $11,570,900. Zinc increased from $3,945,920 to $7,092,715.

All these base metals were affected materially, of course, by the increased prices.

Lode gold values were up $1,299,684 over last year's figure of $6,596,800, a gain of 19.7%. The value of placer gold was $345,218, compared with $303,089.

Gold Belt Lists Million Shares

North American Mines Makes First Underwriting Payment

Listing of an additional one million shares of Gold Belt Mining Co. has been approved by the Toronto Stock Exchange and trading started July 10.

This company, with property in the Sheep Creek district, Nelson mining division of British Columbia has an authorized capitalization of $1.5 million divided into three million shares of 50 cents each. One million shares was listed on June 1, 1934 and a second million on June 5, 1935. A total of 465,000 shares was issued for the assets of the predecessor Gold Belt Co. and 250,000 shares for the assets of Golden Belle Consolidated Mines Ltd. In addition 1,325,000 shares were sold for cash making a total issued capitalization of 2,040,000 shares.

Since the listing was approved an additional 40,000 shares have been issued under an agreement dated June 1, 1937, by which 200,000 shares were underwritten by North American Mines at 20 cents per share. The balance of 160,000 shares will be taken up in monthly installments of 40,000 shares each. An option has also been granted on 600,000 shares at 30 cents per share, to be taken up in monthly installments of 33,333 1/3 shares commencing one month after the completion of the underwriting.

A company balance sheet as at March 31, 1937, shows current assets of some $31,598 against current liabilities of $6,434. The property is in the development stage and recently has enjoyed more encouraging results from this development.

Officers and directors are as follows: A. E. Jukes, Vancouver, pres.; Robert Livermore, Boston, vice-pres.; James Anderson, Vancouver, sec'y-treas.; A. H. Douglas, W. S. Lane, Vancouver; Hugh A. Shaw, Boston and H. Grattan Lynch, Salmo, British Columbia, directors.

Freegold Mines Locates Good Ore on 125-ft. Level

Reporting on recent developments at the property of Freegold Mines in Launay Twp., Abitibi County, Que., R. C. Bryden, consulting mining engineer, states that since his last report of June 22, the drift on the 125-foot level has been advanced 80 feet on No. 1 vein. The first 20 feet of drifting showed good structure with low values. From 20 feet to 60 feet drifting exposed a vein width of up to eight feet showing much finely disseminated as well as some quite coarse gold. Channel samples cut at intervals of 2½ feet gave an average value of $14 per ton over a width of 5½ feet for a length of about 40 feet. From 60 feet to the present face values are low and erratic due to the presence of a narrow intrusive dyke which cuts the vein at a very sharp angle and apparently splits it.

Lebel Oro Grosses $17,000 in 2 Weeks

Millheads Average $11 Per Ton in First Half July

From Our Own Correspondent

SUDBURY.—Lebel Oro Mines at its Long Lac property has recently poured two gold bricks, the results of which are said to have exceeded expectations. The total value, it is believed, will be about $17,000, representing mill operations for the first half of July.

Millfeed is being taken from the old glory hole, and some high-grade sections are encountered from time to time. While the plant was constructed to handle 75 tons daily, on one day recently 120 tons were put through. Average millheads for the first half of July were around $11, but it is not anticipated that they will hold to this level, the management expecting a grade of about $9 from month to month. Costs are being held around $4.

No attempt has yet been made to develop the new ore found 100 feet north of the glory hole. L. K. Fletcher, president, believes that the original estimate of 40,000 tons of ore in reserve will now be exceeded as result of recent development, and that two years operations at present milling rate should be assured.

Value of June production is officially reported as $18,000.

Hollinger Recovery Up In First Half of Year

Estimated net earnings of Hollinger Consolidated Gold Mines, Porcupine producer for the first half of 1937, are 55 cents per shares, which, while lower than those in the corresponding period last year, are on a par with net earnings in the latter half of 1936.

June production at Young Davidson, Hollinger subsidiary in the Matachewan area of Ontario, amounted to $89,147 from 26,704 tons milled, making an average recovery of $3.34 per ton. Net profit for the six months ended June 30, 1937, is estimated at $157,124.

Estimated Earnings
Six months ended June 30

	1937 $	1936 $
Val. of bull. produced	7,285,486	7,356,336
Less: Oper. exps.	4,723,870	4,589,392
Est. oper. profit	2,561,616	2,766,944
Add: Other income ..	144,713	317,269
Est. net profit*	2,706,329	3,084,213
*Before surplus adjustments.		
Earnings per Share ..	$0.55	$0.63
Tons milled	849,844	876,165
Recovery per ton	$8.57	$8.40

Falcon Gold Mines May Again Be Tried

SUDBURY.—Falcon Gold Mines in Falconbridge twp. is to undergo another exploratory campaign, commencing within the next few days, according to announcement by President Lionel Brooke. A contract has been let for a diamond drilling programme of 1,400 feet, and the objective is to be the 400-foot horizon. The Falcon has been idle for several months, following suspension of underground work at the first level.

Mining Enquiries

McKenzie Red Lake

I have been told that labor trouble is behind the drop in price of McKenzie Red Lake Gold Mines, of which I am a shareholder. Is this true, and if so, how serious is the trouble? If not true, why is the stock down so low?

There is no labor trouble at McKenzie Red Lake as far as we are aware. General fear of labor troubles at the mines has been one of the factors in depressing the whole market. With the exception of the strike at Cariboo, B.C., there has, however, been no actual trouble in Canadian mining camps.

McKenzie Red Lake stock has, in our opinion, lowered itself as a result of general market conditions and not because of any developments at this particular property. The company is earning its dividend rate with a fair margin, and we have no reason to believe that this dividend rate may not be continued.

In 1936, recovery per ton was $14.17. In the first quarter of the present year this recovery had risen to $16.34 per ton with the mill operating on an average rate of 154 tons per day. Costs are understood to be running at around $10 per ton.

Briefly, this company appears to be in a sound position and barring any reduction in the price of gold, should continue to operate satisfactorily indefinitely.

Canadian Pandora

Will you kindly tell me when the shares of Canadian Pandora are exchangeable for Pandora Cadillac Gold Mines, and where they may be exchanged?

The stock in Pandora Cadillac Gold Mines received by Canadian Pandora Gold Mines for its assets are still in escrow. No definite date has been fixed by the Ontario Securities Commission for their release. They will not be released until development at the property has, in the opinion of the Commission, reached the stage where such action will not retard financing plans.

In any event, exchange of stock, which should be on the basis of one new share for each three gold shares, would be made through the Capital Trust Corporation, 100 Adelaide St. West, Toronto, who are transfer agents for Canadian Pandora Gold Mines.

Bulolo Gold Earns $215,460 in June

From Our Own Correspondent

MONTREAL.—June production of Bulolo Gold Dredging Ltd. amounted to 9,627 ounces. This compares with 7,745 ounces in May and 11,065 ounces in June, 1936. Working profit for June is estimated at 6,243 ounces which is equivalent to $218,505 in Canadian funds, taking gold at $35 an ounce. In May, working profit amounted to $215,460 and in June of last year to $261,520.

Production for June was from 780,000 cu. yards of gravel. In the previous month 901 cu. yards were dredged and in June, 1936, 1,002,000 cu. yards.

Packsack Crosscutting On Third and Fourth Level

From Our Own Correspondent

WINNIPEG.—While nothing spectacular has transpired at Packsack Mines in the Rice Lake field, development work is being carried on steadily. Encouraged by the news of splendid ore in the deepest levels of San Antonio, which explodes the old idea that ore in the central Manitoba area did not persist at depth, Packsack has now pushed down to a depth of 525 feet. Four levels are now available and crosscutting has been commenced on the third and fourth levels. These crosscuts will be carried on for a short distance while the extra drum is being installed on the hoist. Cage and counter balance will also be put in at this time. Providing the dip continues as indicated on the second level it is estimated that crosscuts to the ore will be from 150 feet to 180 feet in length.

Strikers Quiet As Mine Reopens

52-day Shutdown Ends at Cariboo Gold Quartz

From Our Own Correspondent

VANCOUVER. — Cariboo Gold Quartz Mining Co. reopened its mine near Wells on July 15 after a 52-day shutdown due to labor trouble.

At the time of reopening, the strike was officially still on, although a large percentage of the men who had walked out went back to work. They had demanded increased wages and recognition of their union affiliated with the C. I. O.

Management of the Cariboo Gold Quartz mine and Island Mountain Gold Mines, also at Wells, refused to deal with any outside union and promptly closed down operations.

Efforts to negotiate a settlement were abortive. Deputy Minister of Labor Adam Bell went to Wells a few days ago, but came away convinced that settlement was still a long way off.

Cariboo Gold Quartz employees to the number of about 100 organized a company union of their own and expressed readiness to resume work. The company then went ahead and opened the mine. There was no disorder at the time, despite the fact that the company had practically no police protection, according to President W. B. Burnett.

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Abitibi's Three-in-One Man

Collin Brooks, Editor and Financial Expert, Alias Barnaby Brooks, Author of Detective Thrillers, Guards Rothermere Interests in Reorganization Plans—Writes Three Books at Once

By C. W. STOLLERY

It is not often that one finds a newspaper man and author in any sort of lawyer's job or in the rôle of high financial negotiator.

That, however, is something of the position of William Collin Brooks, newspaper man and financial authority, alias Barnaby Brook the fiction writer, who has been in Toronto for more than two months representing Lord Rothermere's investments in Abitibi Power & Paper Co.

It is mild to say that Collin Brooks has stirred things around in the Abitibi affair.

As an energetic and informed personality, with news to dispense on Abitibi, Mr. Brooks placed himself on terms of intimacy with financial reporters within a few days of arrival in Toronto and has commanded column after column of newspaper reports broadcasting his point of view.

In this there was an object lesson in press relations for high financiers connected with the Abitibi matter.

Friendly With Premier

Mr. Brooks has become very friendly with Premier Hepburn, has stayed with "Mitch" at the farm, and had described him in widely reported speeches as one of the foremost statesmen of the British Empire. And he also moved his quarters to the King Edward Hotel, Toronto, stopping-place of the Premier.

That is a pointer on government relationships.

Collin Brooks was his own lawyer for about six or seven weeks in the matter of Abitibi, thereby keeping down costs. Then he was appointed an inspector in connection with the company's reorganization and employed as counsel Arthur W. Roebuck, K.C., former attorney-general in the Ontario Government.

Mr. Roebuck was formerly in the Hepburn Government, but he and the Premier have lately been exchanging rebuffs in the public press. This seems to put Mr. Brooks between the political campfires.

Mr. Roebuck has been called the arch-repudiator of the Ontario Hydro's power contracts, and Mr. Hepburn, of course, headed the government that cancelled the agreements. While Mr. Brooks represents British capital, and great as is the average British investor's dislike of the contract repudiations, he is close to both men, indicative of his diplomacy.

It will be recalled that one supposition for Mr. Roebuck's elimination from the government was his alleged leftward leaning when Mr. Hepburn was battling radical labor elements. Since Lord Rothermere, the British newspaper and newsprint peer who is "the chief" to Collin Brooks, is widely recognized as unfriendly to radicalism, Mr. Brooks's association with Mr. Roebuck may seem incongruous.

At any rate, the mixture of relationships shows how wide is the swath that Collin Brooks has been cutting in southern Ontario, which he thinks is a fine country.

Work in Abitibi

The job of Collin Brooks in Toronto is to do his best for shareholders of Abitibi Power & Paper Co. in the slow but apparently inevitable reorganization that is expected to take the company out of receiver-shi.p.

He has done a good job. In a few weeks he has helped to turn attention to whatever merits there are in Abitibi shares. But he starts on the right foot by conceding that Abitibi bondholders must be first served.

While Mr. Brooks has been chiefly a spokesman for what he has called "the sanctity of equities" in the form of Abitibi common shares, the Rothermere investments include large blocks of Abitibi preferred and bonds too. Apparently this is explained by the fact that the Rothermere financial pages have been optimistic for many years on Canadian pulp and paper industries. And the Rothermere papers, through Mr. Brooks, propose to defend reader-investors as well as themselves.

Editor of the London Sunday Dispatch, major week-end paper of the Rothermere Daily Mail group, it is fair to say that Mr. Brooks has reached top ranking in British newspaperdom.

As an author he is either Collin Brooks or Barnaby Brook, and has published over two dozen books in three contrasting fields, economics and finance, serious fiction, and detective story thrillers. Barnaby is the writer of fiction.

Triangular Technique

Collin Brooks's technique as an author is to write three books at the same time, which allows him to work on whichever of the three suits his mood. Readers of detective stories will be interested to learn that when he is about half way through one of his "thrillers" he tries it out on Mrs. Brooks to see whether he has sufficiently concealed the real murderer.

The triangular technique is illustrated by titles of some of his works, to wit: "The Theory and Practice of Finance"; "The Ghost Hunters"; "Wife to John," these three being 1928 publications.

The Abitibi affair lends more interest to titles of three Brooks books published in 1930: "How the Stock Market Really Works"; "Found Dead"; and "Prosperity Street."

Mr. Brooks still receives royalty cheques from sales of his many works and is rather proud that he has made and still can make his living entirely as an author, which any writer will admit is no mean feat.

He also takes pride in his "Dictionary of Finance" which he regards as the most complete work of its kind.

Collin Brooks's career is typical of the man, his energy and the breadth of his activities. Son of W. E. Brooks, north of England businessman, he left school at 15, running away to be an author. But instead he went back home, was trained in an accountant's office and was with his father as a member of the Manchester Produce Exchange up to 1915. Although then under 22, Collin Brooks had started his own press agency in Manchester and kept his determination to write for a living, but he joined the army and in the war won the Military Cross.

Newspaper Career

After the war Collin Brooks's first job was with Benn Brothers Ltd., publishers of British trade papers where he found editorial writing did not take his full time, but that selling advertising was difficult.

He worked for the Liverpool Courier, later for the Yorkshire Post, and became an important figure in financial writing as assistant editor of the London Financial News, so he is well aware of the distinctions between Abitibi securities.

Mr. Brooks confesses that for a time he had faith in the League of Nations but that after a few years he came around to the view that British disarmament was futile. When Lord Rothermere hired him as the first financial editor of the Sunday Dispatch, Mr. Brooks found that his views on the futility of disarmament brought him close to "the chief," who had similar ideas. So he is editor now, rather than just the financial editor.

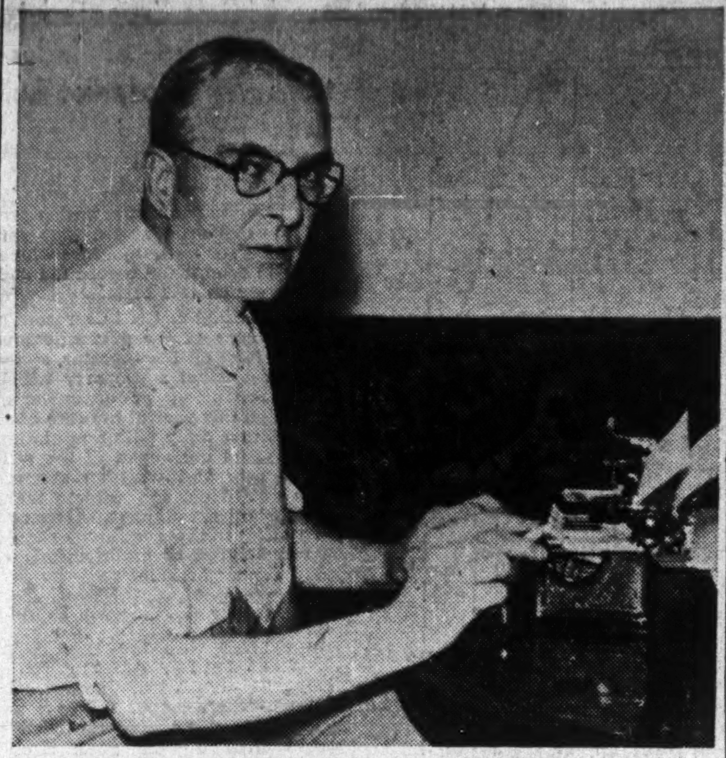
Mr. Brooks shares Lord Rothermere's optimism on the outlook for pulp and paper companies in Canada, and has co-operated with "the chief" in drafting the remarkable Rothermere cables to The Financial Post forecasting the coming prosperity in forest industries.

Cordial in manner, Collin Brooks is a fluent speaker either in private or in public, and for an author is surprisingly businesslike.

He has a strong physique which he subjects to the strain of hard work, and recently had slightly the worse of a bout with the summer heat. The result is that Mr. Brooks has had to transfer himself to the Toronto General Hospital for a time.

To the casual visitor, Mr. Brooks seems to have no recreations, but Who's Who lists them as "metaphysics and minor verse," neither of which appears to have been applied to Abitibi.

In writing popular features for the Sunday Dispatch, Mr. Brooks has to do something far different from what would ordinarily be expected of the learned ex-assistant editor of the Financial News. In appealing to a wide audience with a different intelligence quota, Mr. Brooks uses something like his "thriller" technique. In one recent edition, he writes what the British call a "leader" starting off on "Common Sense About Drink" and running the gamut of avoiding liquor before breakfast, forest fires in northern Ontario, winning friends and influencing people, and ending with comments on the suicide 34 years ago of Sir Hector Macdonald.



THE MAN AT THE MACHINE

Collin Brooks, Lord Rothermere's right hand man in the affair of Abitibi Power & Paper Co., is pictured above with his portable typewriter on which he has turned out more than two dozen books and innumerable newspaper articles.

Labor Boasts 75 p.c. Gain For the Year

A. F. of L. and C. I. O. Membership Estimated at Six Million

Within the past year, membership in trades unions affiliated with international labor federations on this continent has registered a gain of approximately 75%, according to recent figures issued by leaders of the two main bodies — American Federation of Labor and the Committee for Industrial Organization.

Total combined membership of A. F. of L. and C.I.O. unions now stands at an estimated level of six million workers, representing an increase of 2.6 millions. Present enrolment is almost equally divided between the two rival organizations, the A. F. of L. having a slight edge over the C.I.O. from 60,000 to 100,000.

If the same rate of increase had prevailed in Canada during the past 12 months, the total of all organized workers in the Dominion would have jumped from 300,000 to 525,000 and that of Canadian branches of A. F. of L. and C.I.O. unions (still united in common affiliation with the Trades and Labor Congress of Canada) would have risen from 125,000 to approximately 220,000. It is unlikely, however, that such high totals have been attained.

A year ago, membership in the unions affiliated with the American Federation of Labor, including Canadian units of international unions, was 3.4 millions. This included membership of approximately one million in the 10 unions which formed the C.I.O. Thus, a year ago the membership in the unions still linked with the A. F. of L. was 2.4 millions.

According to official figures issued by A. F. of L. headquarters in Washington, this net total has now grown by 622,000 to 3,062,719. These figures cover the 103 loyal A. F. of L. unions, exclusive of the insurgent C.I.O. bodies. As to the membership of C.I.O. unions, no exact or official figures have been made available, but John L. Lewis, C.I.O. chairman, recently set his total at nearly three millions.

In other words, the membership of the A. F. of L. has grown by 25%, while the claimed total of the C.I.O. indicates that its affiliated membership has been nearly tripled. In some quarters, however, there is a tendency to discount the estimated figures of the C.I.O. until more exact totals are issued.

B. A. Oil Producing Co. Allowed Higher Output

British American Oil Producing Co. has been awarded the right to additional production of 109,320 barrels of crude oil in Oklahoma Supreme Court. The added production is worth about $129,000.

The award arises from completion of a well in October, 1935, from which production allowable was calculated from Dec. 2 by state oil authorities.

THE DOMINION LIFE ASSURANCE COMPANY
Forging Steadily Ahead
ESTABLISHED 1889 — HEAD OFFICE — WATERLOO — ONTARIO

BANK OF NOVA SCOTIA INC. 1832
1832 1937

Coast to Coast in Canada

NEWFOUNDLAND, JAMAICA, CUBA, PUERTO RICO, DOMINICAN REPUBLIC

NEW YORK, CHICAGO, BOSTON, LONDON, ENGLAND

In the U.S.A....

OUR OFFICES in New York, Chicago and Boston are gladly at the disposal of clients having banking transactions in the United States.

World-wide facilities in every department of banking

The BANK of NOVA SCOTIA
OVER A CENTURY OF BANKING SERVICE

3711

Spotlight on Labor

Strengthening of the campaign of the Trades and Labor Congress of Canada for provincial legislation guaranteeing the right of workers to organize and bargain collectively, and for amendments of the B. N. A. Act to permit social legislation benefitting workers, will be among the chief topics to be discussed at the Congress convention in September. In issuing the official call to the convention to affiliated bodies, Congress officials declared that the question of workers' right to organize was more prominently before the labor movement and the public generally than it had been for a generation. The message urged vigorous action to press for B. N. A. Act amendments and passage of legislation such as unemployment insurance and statutes regulating working conditions.

* * *

Current Strikes

Following is a summary of the situation in regard to strikes and labor disputes in various parts of Canada, at time of going to press:

Cariboo Gold Quartz mine, Wells, B.C., closed down in May by strike of 250 miners for higher wages and recognition of C.I.O. miners' union; reopened by "back to work movement" of 100 men, and company building up working crews to full strength.

Island Mountain Gold Mine, Wells, B.C., closed after strike in May; still strike-bound.

Consolidated Paper Corp., Three Rivers, Que., Wayagamack Island mill; five-day strike of 650 men ended after company made partly successful attempt to restore operations to normal basis through return to work of non-strikers ferried to island in full view of strike pickets guarding bridges; strike called by two international unions in protest against recognition of National Catholic union; terms of settlement unrevealed.

J. J. McFadden Lumber Co., Blind River, Ont., two-weeks strike of 150 workers ended early this week through intervention of Hon. Peter Heenan, Ontario Minister of Lands and Forests; no announcement made as to terms of settlement or as to whether company has granted men's demand for wage increase of 7½ cents an hour.

B. F. Goodrich Rubber Co., Kitchener, Ont., operations resumed after two-day shutdown caused by strike of 16 men in key department against employment of two non-union men; strike reportedly not condoned by union; plant reopened under policy that workers need not carry union cards to hold jobs.

Dominion Woollens & Worsteds Co., Peterborough, Ont., two mills, hope for settlement of strike as result of negotiations between management and committee of employees.

London Underwriters Combine Strike Cover

A combined war, strike, riot and civil commotion insurance clause has been drawn up by the Institute of London Underwriters. Separate clauses covering these risks individually are retained for those who prefer that type of cover.

The new clause protects against loss or damage caused by war, revolution, etc., and also "theft and pilferage by or other losses or damages to the insured property caused by strikers, locked-out workmen, or persons taking part in labor disturbances, riots or civil commotion."

Value of Securities Drops at Montreal

From Our Own Correspondent

MONTREAL. — The Montreal Stock Exchange and the Montreal Curb Market report the value of securities listed and traded showed a decline in value of $142.2 millions during June.

Legal & Professional Directory

Victor A. Sinclair, K.C.
Formerly Chairman, Workmen's Compensation Board, Ontario.
Special attention Workmen's Compensation, Social Insurance, Life Insurance, Corporation and Commercial Law.
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Pitblado, Hoskin, Turner McEwen and Alsaker
Barristers, Solicitors, Etc.
Hamilton Building
WINNIPEG, CANADA

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COST REDUCTION WAGE METHODS COST CONTROL
INDUSTRIAL COST ACCOUNTING PLANT AUDITS
BANK OF NOVA SCOTIA BUILDING MONTREAL
TORONTO MONTREAL QUEBEC

New Issue

This issue having been sold, this advertisement appears as a matter of record only.

$20,000,000

Province of Ontario

2% and 2½% Debentures

To be dated August 1st, 1937 $10,000,000—2% Debentures due August 1st, 1940
$10,000,000—2½% Debentures due August 1st, 1944

Principal and half-yearly interest (February 1st and August 1st) payable in lawful money of Canada in Toronto or Montreal at the holder's option. Any Debenture not presented for payment within one year from its maturity will be payable only at the Office of the Provincial Treasurer, Toronto. Denomination: $1,000. Debentures may be registered as to principal.

Legal Opinion: Messrs. Long and Daly.

These Debentures are direct obligations of the Province of Ontario, and are payable, principal and interest, out of the Consolidated Revenue Fund of the Province. The proceeds of this issue will be used to retire maturing obligations.

Surplus on Ordinary Account
for the Fiscal Year, April 1, 1936 to March 31, 1937
as Officially Reported to us by the Province

Net Ordinary Revenue	$80,488,440
LESS: Net Ordinary Expenditure (before providing for Unemployment Direct Relief)	57,904,444†
Surplus (before providing for Unemployment Direct Relief)	$22,583,996
LESS: Unemployment Direct Relief and Administration thereof	13,270,057
SURPLUS	$ 9,313,939

†Includes provision for Sinking Fund and Debt Retirement of $1,017,493.

Further information regarding the financial position of the Province will be found in the official circular which is available upon request.

We offer these Debentures if, as and when issued and accepted by us and subject to the approval of Counsel.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice.

Prices:

1940 Maturity: 99.86 and accrued interest, yielding 2.05%
1944 Maturity: 98.73 and accrued interest, yielding 2.70%

It is expected that Debentures in interim form will be ready for delivery on or about August 3rd, 1937.

Wood, Gundy & Company Limited — McLeod, Young, Weir & Co., Limited
A. E. Ames & Co., Limited — Bell, Gouinlock & Co., Limited
The Dominion Securities Corporation Limited — Mills, Spence & Co., Limited
Royal Securities Corporation Limited — McTaggart, Hannaford, Birks & Gordon, Limited
Hanson Bros. Incorporated — Harrison & Company, Limited
Fry & Company — Cochran, Murray & Co., Limited — Midland Securities Corp. Limited

The information contained in this advertisement is based upon statements on which we have relied. We do not guarantee but believe the statements herein made to be true.